

## 2021 MANAGEMENT AND SUSTAINABILITY REPORT

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## About the Report

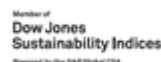
*The 2021 Management and Sustainability Report describes the results of Corficolombiana's management in the period between January 1 and December 31, 2021. We have gathered in a single document the results of our management in the economic, social and environmental aspects. The information includes figures and indicators of Corficolombiana and its affiliates.*

*The report is published annually and we are based on the guidelines of the Global Reporting Initiative (GRI) methodology.*

*The 2021 Management and Sustainability Report contains an interview with our President and then describes in Chapter 1 key figures and facts describing our organization. Chapter 2 includes the 2021 Business Management Report detailing the year's milestones, economic context, financial management and business performance. Chapter 3 describes our Corficolombiana Sostenible strategy, its components and progress. Chapter 4 chronicles our economic and corporate governance management, risk management and our commitment to ethics and transparency. Chapter 5 details our social management and Chapter 6 presents our management of environmental impacts. Finally, Chapter 7 presents the Financial Results of the Corporation. At the end, in addition, annexes are included that detail other topics of interest.*

### DIRECCIÓN GENERAL

Carrera 13 No. 26-45 Piso 8  
Bogotá D.C. - Pbx. (1) 2863300  
[www.corficolombiana.com](http://www.corficolombiana.com)



## Remarks Mr. Luis Carlos Sarmiento Gutiérrez, Chairman of the Board of Directors of Corficolombiana

I am pleased to introduce this Management and Sustainability Report that compiles the summary of the outstanding results of Corporación Financiera Colombiana during 2021, a year when the Corporation celebrates 60 years of activities.

For me as Chairman of its Board of Directors and for Grupo Aval as its main shareholder, the presence and recognition that Corficolombiana has achieved in the Colombian business context is especially significant. In addition to being today one of the ten largest companies in the country and being the benchmark investor in the most dynamic economic sectors of the economy such as infrastructure, gas, hospitality and agribusiness, Corficolombiana has also become a benchmark in terms of sustainability and responsible investment.

I would just like to highlight some of the recognitions that the Corporation has received in 2021:

For the second consecutive year it was included in the Dow Jones Sustainability Index Mila -DJSI Mila-; the index is one of the main benchmarks in terms of business sustainability in the world. Only ten Colombian companies are part of these indices.

Additionally, Corficolombiana received the BBB rating by MSCI Ratings for its management of environmental, social and government issues, increasing from a B rating in its first measurement in 2019.

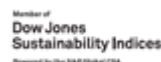
Continuing, the Colombian Business Council for Sustainable Development -CECODES- recognized the president of Corficolombiana for her leadership in Business Sustainability.

For its part, the Corporation once again obtained IR recognition from the Colombian Stock Exchange for its best practices in disclosure and investor relations. And likewise, Corficolombiana has an active participation in the United Nations Global Compact, in the Principles of Responsible Investment -PRI- and in the Green Protocol of Asobancaria.

All of the above fills us with pride and shows our commitment to continue working and investing in the progress of the country.

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## Interview with the President, María Lorena Gutiérrez Botero

### 1. This year is special because Corficolombiana celebrates sixty years of existence. As an introduction to the 2021 management report, we would like to know how you see this celebration.

At Corficolombiana we are convinced that our businesses and activities, so diverse and so broad, are a reflection of the country. In that sense, we want this celebration that commemorates the six decades of our history to also be the recognition of Colombian business activity of the last sixty years.

The current Corporation is the synthesis of several business initiatives that through merger processes over the years integrated nine financial corporations: Indufinanciera, CorfiProgreso, CorFes, CorfiBoyacá, CorfiSantander, CorfiTolima, CorfiAndes and CorfiValle. The tour of these names is also a tour of the main Colombian regions that ended up unified under the country name: Corporación Financiera Colombiana.

That is why it is no wonder that our purpose is to *Work and Invest for the Progress of the Country*.

### 2. What is the role that Corficolombiana plays in the Colombian business scene today?

Today, Corficolombiana invests directly and indirectly in 120 companies, which develop their activity in 21 departments of Colombia and in 6 departments of Peru.

To show our contribution to the economic activity and the quality of life of the community, suffice it to say that, in one year, our agro-industrial companies produce 170 thousand tons of agricultural products and our hotels serve more than 500 thousand guests and every day more than 500 thousand people travel on our roads and our gas companies bring energy to more than 4 million homes, businesses and industries that benefit more than 20 million people.

This impact is due to the fact that, since our origin, many people have dedicated their capital, their effort, their intelligence and their imagination to build what is now Corficolombiana, and millions have received the benefits of their achievements. We are the result of the work and dedication of men and women who have contributed to the development and growth of companies, projects and communities that have also thrived with us throughout Colombia and other countries.

### 3. After sixty years, how does Corficolombiana arrive at the current juncture and what is your vision of the role of the Corporation in it?

The biggest challenge that Corficolombiana, the business sector and Colombian and world society in general has faced is the one we have been going through since 2020 in the face of the Coronavirus pandemic.

There probably hasn't been an event of global scale and such widespread and lasting economic, social and institutional impacts since the world wars.

This pandemic, like any crisis, leaves lessons and learnings that should contribute to better practices in the future. Only those who have the ability to adapt, innovate and focus on the long term and sustainability can navigate such difficult situations.

This crisis will leave profound and lasting effects. The current priority must be the economic and social reactivation, especially of the most vulnerable sectors that have been so affected by this situation. **Our commitment to reactivation is clear and determined.** As players in sectors so essential to the economy, we believe that the reactivation will only be achieved by maintaining high levels of private investment.

#### **4. What is your vision for Corficolombiana going forward?**

Our long-term and sustainability vision has made it possible for us to overcome each of the challenges we have faced and those that will inevitably come in the future.

Our conviction is that business activity should not only seek short-term financial results, but also the creation of strong and lasting relationships with the community in which it develops its business.

It is this that has made it possible for us to overcome adversity and show a positive balance in business results, but also in the social and environmental development of our communities.

#### **5. Would you like to send a final message to the readers of this report before going into the details of the 2021 management?**

Of course. Those who came before us had the vision, values and impetus to execute the projects and develop the companies that today allow us to proudly celebrate this anniversary.

With the same values that have guided us in these sixty years, with a renewed commitment and with the unwavering confidence in our people and in the future, today more than ever Corficolombiana, with the support of its thirty-one thousand collaborators, its more than six thousand shareholders and its fourteen thousand suppliers, will continue to be part of the history of Colombia and contribute in a lasting way to the growth, progress and improvement in the quality of life of this and the next generations. We will continue to leave a mark.

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## 1. Corficolombiana

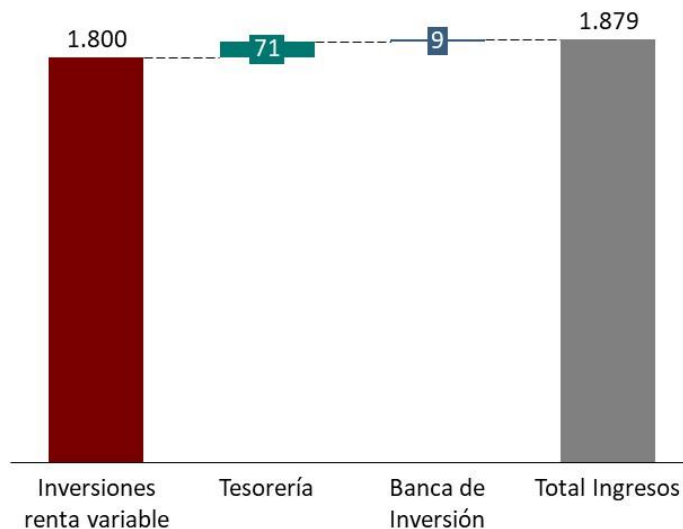
### 1.1. About Us<sup>1</sup>

**Mission:** We work and invest in the progress of the country

**Values:** Transparency, sustainability, innovation, excellence, respect, teamwork, leadership

Business Units		
Equity Investments	Treasury	Investment Banking
More than \$14.1 tn - in the five most dynamic sectors of the economy <ul style="list-style-type: none"> <li>• Infrastructure: \$9.3 tn (65.7%)</li> <li>• Energy and Gas: \$3.8 tn (26.5%)</li> <li>• Agroindustry: \$0.3 tn (2.2%)</li> <li>• Hospitality: \$0.3 tn (2.1%)</li> <li>• Financial and Others: \$0.5 tn (3.6%)</li> </ul>	\$ 5.4 tn in fixed income portfolio <ul style="list-style-type: none"> <li>• Fixed income investments \$4.3 tn (80.6%)</li> <li>• Interbank funds: \$0.93 tn (17.6%)</li> <li>• Derivatives: \$0.09tn (1.7%)</li> </ul>	Transactions over \$15 tn in the last 6 years

### Revenue by Business



Treasury: financial margin, Investment Banking: business commissions, Investments: MPU+Dividends-commissions-funding.

- Financial Figures:

<sup>1</sup> All figures correspond to the year 2021 or December 31, 2021 as the case may be.

- Consolidated Ebitda: \$4.8tn
- Consolidated Net Profit: \$1.28 tn
- Separate Net Profit: \$1.72tn
- Consolidated Equity: \$10.3tn
- Separate Assets: \$46.99tn
- Jobs generated in Corficolombiana and investments:
  - Total: 31,252 (indefinite term + temporary + outsourcing)
  - Corficolombiana employees: 520 (indefinite term + temporary + outsourcing)
    - Direct employees by gender:
      - Women: 54%
      - Men: 46%
- 6,207 shareholders
- 15,874 suppliers
- Investment Grade Rating: Fitch Ratings (Local: AAA; International: BB+) and BRC Ratings – S&P Global S.A. (Local: AAA)

**Strategy:** Corficolombiana Sostenible is based on five pillars that allow us to continue developing impact businesses that contribute in a lasting way to the growth, progress and improvement in the quality of life of our stakeholders:

**We generate and manage efficient and profitable investments that drive the country's development**

**We ensure ethical and responsible decision making**



**We enhance our environment and the good use of resources**

**We build relationships of trust with our stakeholders**

**We promote the well-being of our collaborators**

**Recognitions:**



**Memberships:**



**Our business**

**Equity Investments**

We are a long-term strategic investor in capital-intensive sectors. We focus on sustainable investments with stable and growing cash generation with low volatility.

- Book value of equity investments: \$14.2 trillion
- Consolidated with 90.7% of our investments



\* Total Interest: **Coviandes:** 59.32% through Epiandes, 0.25% through Concecol and 0.25% directly; **Panamericana:** 100% through Episol; **Coviandina:** 2.27% through Episol and 97.73% through Concecol; **Covioriente:** 9.11% through Epiandes and 90.89% through Concecol; **Covimar:** 25% through Epiandes and 75% through Prodevimar; **Covipacífico:** 89.90% through Prodepacífico and 10.1% through CFC Private Equity Holdings

- \* **Promigas:** With economic and political rights: 34.87% directly and 10.58% through CFC Gas Holdings. With economic rights and without political rights: 5.43% through an FCP managed by an independent third party.
- \* **Mavalle:** 46.77% directly, 53.23% through Organizacion Pajonales.
- \* **Fiduciaria Corficolombiana:** 94.5% directly and 5.5% through Valora S.A
- \* **Casa de Bolsa:** 38.95% directly and 1.8% through Pajonales

### ***Energy and Gas:***

We contribute to the energy security of Colombia and Peru, through our leadership in the sector. Through our participation in Promigas, we transport 50% of Colombia's natural gas and serve 37% of the gas distribution market in Colombia and 94% in Peru.

- Gas transport of Promigas and its companies
  - Gas pipeline: 3,288 km
  - Transport Capacity: 1,153 MPCD1
  - Regasification Capacity: 400 MPCD
  - 25 customers in different regions of the country
- Gas distribution of Promigas and its companies
  - 3.9 million users in Colombia
  - 1.4 million users in Peru
- Distribution of electricity to Promigas and its affiliates
  - 423,633 customers
  - Energy on demand: 1,002 GWh

### **Promigas Recognitions 2021**

- Highlighted in S&P's 2021 Sustainability Year Book in the Gas Utilities sector among the 15% of the companies with the best performance or sustainability.
- Recognition in Good Practices of Sustainable Development by the Bogota Chamber of Commerce and the Global Compact Network
- Included among the 100 companies with the best corporate reputation in Colombia: 71st in Merco Empresas and 50th in Merco Talento, rising 7 and 31 positions respectively

### ***Infrastructure:***

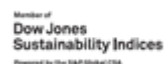
We invest in the strengthening, development and interconnection of communities and regions. With more than 25 years of experience, we are the leading investor in road infrastructure in Colombia.

- Road Infrastructure
  - 8 road concessions
  - 668 km in concession
  - 138 km to build 4G
  - 17 toll stations
- Airports: 2 concessions

### ***Hospitality:***

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Through Hoteles Estelar, the main hotel chain in Colombia, we support the growth of the sector by executing projects with operations that help consolidate different regions as a tourist destination of interest.

- 27 hotels in 12 cities
- 3,159 rooms
- 2 countries: Colombia and Peru
- Average occupancy 2021: 50.2% (national average 49.04%)

### ***Agribusiness:***

With more than 26,000 hectares of our own with agro-industrial projects, we promote the transformation of Colombian agriculture through productive and sustainable projects of rubber, palm, cotton, corn, rice, fish farming, livestock among others. We have the largest rubber plant in Latin America.

- Palm: Cundinamarca and Meta
  - 5,590 gross hectares and 4,375 sown
  - Actual capacity plant 27 ton/hour
- Semi-annual and other crops: Tolima
  - 5,932 gross hectares and 2,432 potential for semi-annual crops
  - 2,595 head of cattle
- Rubber: Meta
  - 14,683 gross hectares and 10,240 sown
  - Plant capacity 3 ton/hour

### ***Financial:***

We participate in the creation, administration and distribution of savings and investment instruments.

- Fiduciaria:
  - \$44.92 trillion in assets under management of which \$4.76 trillion correspond to balances managed in Investment Funds
  - 843 Trust businesses
- Casa de Bolsa:
  - \$5.54 trillion in assets under management
  - \$662.376 billion in assets distributed in FICs
  - \$21.5 trillion traded in fixed income
  - \$6.7 trillion traded in equities

### **Treasury**

Our Treasury has a portfolio of \$5.4tn fixed income and manages the necessary funding for equity investments, through access to the capital and financial markets. We are active agents and market makers in the different products we operate: currencies, derivatives, TES and money market operations.

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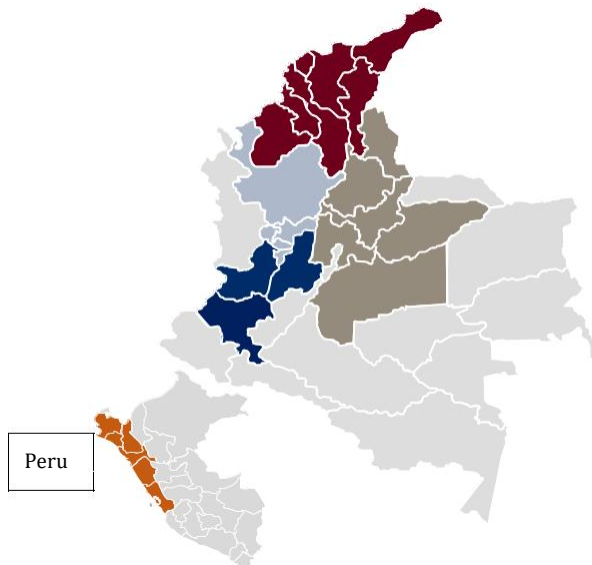
## Investment Banking

We have one of the most traditional and recognized investment banking practices in the country. Our investment banking covers the entire spectrum of services, from capital markets to corporate finance and project finance. Since 2021 we are an ally of Grupo Aval for the structuring of projects. In addition, we are leaders in the country in the development of financial instruments with social impact.

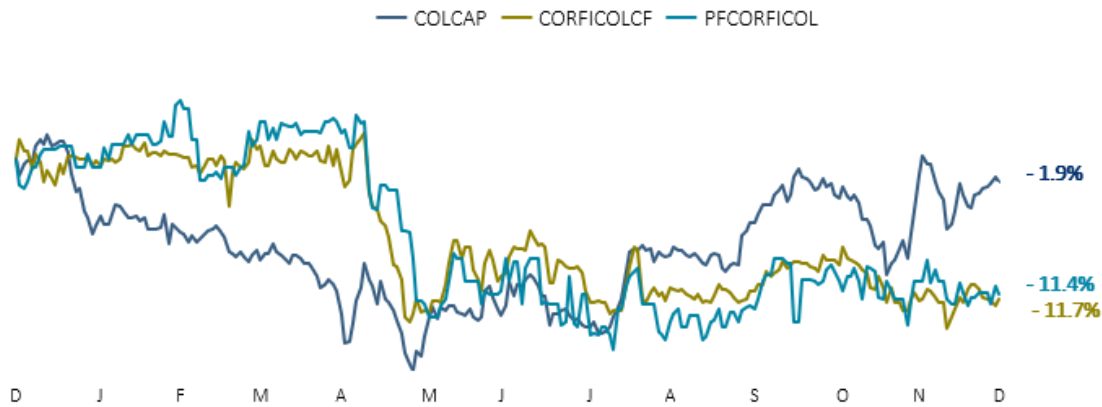
## Our Presence

We are in 22 departments of Colombia and 6 in Peru.

Energy and Gas	●	●	●	●	●
Infrastructure		●	●	●	
Hospitality	●	●	●	●	●
Agribusiness		●	●		
Financial	●	●	●	●	



## Share Behavior



Closing Price 2020:  
 Common: 32,400  
 Preferred: 26,190

Closing Price 2021:  
 Common: 28,600  
 Preferred: 23,200

	2021	2020	2019
Closing price - Common (\$)	28,600	32,400	30,800
Closing price - Preferred (\$)	23,200	26,190	25,500
# shares (Millions of Shares)	341.5	324.1	296.6
# shareholders	6,207	5,219	5,020
Market cap (\$ trillions)	9.67	10.39	9.05
Average Daily Volume <sup>2</sup> (\$ Million)	2,851	2,100	2,326

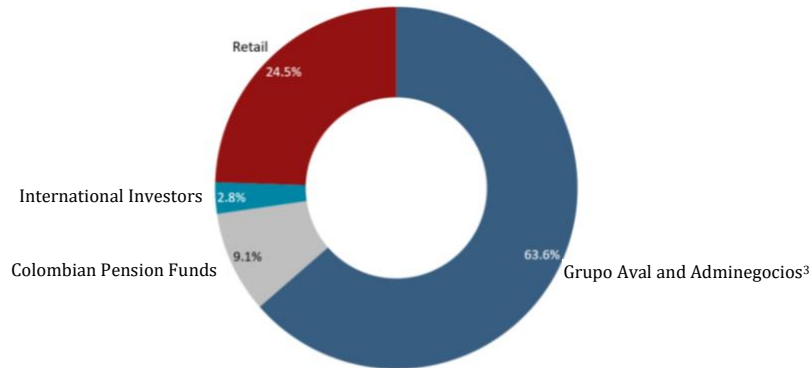
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<sup>3</sup>Grupo Aval and Adminegocios includes: Banco de Bogota S.A. (34.42%), Adminegocios S.A.S. (11.13%), Grupo Aval Acciones y Valores S.A. (8.5%), Banco Popular S.A. (5.15%), banco Occidente S.A. (4.14%) and Aminversiones S.A.S. (0.25%)

**- Dividends paid per share<sup>3</sup> (COP)**



<sup>3</sup> Dividends were decreed in shares and were paid in shares at shareholder's option, otherwise their payment was made in cash. Profitability of the estimated dividend with share price in the cum-dividend date.

- **Market cap: \$9.67tn**
  - Common: \$9.25tn
  - Preferred: \$0.42tn
  
- **Total return to shareholder<sup>2</sup>:**
  - Common: -6.0%
  - Preferred: -5.7%

**Note:** Colcap was one of the stock markets with the lowest performance globally in 2021, registering a negative growth (-1.9%), although closing the gap compared to the devaluations presented in 2020, a year in which the index fell -13.5% due to the pandemic.

- **Analyst coverage<sup>3</sup>:**
  - Average target price: \$32,375
  
- **Contact with the market:**
  - More than 50 1-1 calls with investors and analysts. Participation in 4 Webinars aimed at institutional and retail investors.

<sup>2</sup> Valuation/devaluation amount of the share in the period and payment of dividends

<sup>3</sup> Corresponds to common share

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## 1.2. Our Board of Directors

The Board of Directors is represented by people of recognized experience and with diverse profiles which allows us to ensure a solid corporate governance structure. It is composed of 14 members of which 7 are principal and 7 alternates.

### Main:

<b>Name</b>	LUIS CARLOS SARMIENTO GUTIÉRREZ	ALEJANDRO FIGUEROA JARAMILLO	CÉSAR PRADO VILLEGAS	CARLOS EDUARDO UPEGUI CUARTAS	CARLOS ARCESIO PAZ BAUTISTA	MARÍA FERNANDA SUÁREZ LONDOÑO	JUAN GUILLERMO SERNA VALENCIA
<b>Title</b>	President Grupo Aval S.A.	President Banco de Bogota	President Banco de Occidente S.A.	President Banco Popular S.A.	Business Consultant	Country Manager Colombia Accenture	Independent Consultant
<b>Age</b>	45-60 years	More than 60 years	45-60 years	45-60 years	More than 60 years	45-60 years	More than 60 years
<b>Independent</b>	No/ Equity	No/ Equity	No/ Equity	No/ Equity	No/ Equity	Yes	Yes
<b>Time on the board</b>	2006	1981 (with intervals)	2019	2019	1998 (with intervals)	2021	2017
<b>Other Boards</b>	-Banco de Bogotá  Has belonged to: -Seguros Alfa S.A. -Banco Popular S.A. -Porvenir S.A.	-Grupo Aval Acciones y Valores S.A. -Porvenir S.A. -Banco de Bogotá Panamá -Fundación Grupo Aval, -Asociación Bancaria de Colombia -Director of BAC Credomatic Inc. -Credomatic International Corporation	-Grupo Aval Acciones y Valores S.A. -Fiduciaria de Occidente	Has belonged to: -Credibanco S.A. -Redeban Multicolor S.A. -Titularizadora Colombiana S.A. -Deceval S.A. -A Toda Hora S.A. (ATH) -ACH Colombia S.A. -Asociación Bancaria de Colombia	-Banco de Bogotá S.A. -BAC International Inc. -Promigas S.A. -Fundacion Promigas -Empresarios por la Educacion -Comite Consultivo Cali to the Board of the Central Bank -Superio Council Universidad Icesi-Cali	-Organización Corona	-Avianca Holdings S.A. -Inversiones GLP S.A.S. -OCENSA S.A. -Plexa SAS  Has belonged to: -Banco Falabella S.A. -Terpel Centro S.A. -Industria Quimica Andina S.A. -Porvenir S.A.
<b>Education</b>	-BS Magna Cum Laude in Civil Engineering University of Miami. -MBA with Focus on Finance Johnson Graduate School of Management at Cornell University	- Civil Engineer Facultad Nacional de Minas Antioquia. - Master of Economic Sciences and Doctoral candidate in Economics at Harvard University.	-Lawyer Universidad del Rosario. -Specialist in Commercial Law Universidad de los Andes. -Master of Laws (LL.M.) London School of Economics.	-Business Manager, Universidad de los Andes. -Specialization in Markets, Universidad de los Andes	-Business Manager, Escuela de Administracion y Finanzas Eafit -Market Specialist Icesi-Eafit	-Business Manager CESA -Master of Public Policy Management, Georgetown University, Mccourt School	Business Manager and Economist, Universidad Nacional de Colombia. -Master of Economics, Universidad Nacional de Colombia.
<b>Experience</b>	-President of Cocolco SA	-Vice-Minister of Economic Development -General Manager Almagro S.A.	-President Fiduciaria Bogota S.A. -Administrative Vice-President of Banco de Bogota S.A.	-President Banco Caja Social S.A. -Main Legal Representative Ripley Compañía de	-General Manager at Harinera del Valle S.A. -General Manager Consultoría de	-Minister of Mines and Energy -Corporate Vice-President of Strategy and Finance of Ecopetrol,	-President Organización Terpel S.A. -Director FOGAFIN -Financial Vice-President

			-Legal Vice-President of AFP Colfondos S.A. -Financial Superintendent of Colombia -General Director of Regulation at the Ministry of the Treasury -Deputy Superintendent for Issuers at the Securities Superintendence -Partner at the firm Rodriguez – Azuero Abogados	Financiamiento S.A. -Commercial and Marketing Vice-President Banco de Bogota S.A.	Inversiones Ltda. -Manager Portagraneeles Ltda.	-Advisor to the Minister of the Treasury -National Director of Public Credit, -Vice-President of Investments at Porvenir, Banco Santander, Citibank, Bank of America, ABN Amro Bank	Organización Corona S.A. -Economic Secretary Presidency of the Republic Director National Budget Office -Auditor Federación de Cafeteros (New York) -general Secretary National Securities Commission.
<b>% Attendance</b>	80%	92%	96%	96%	96%	73%	88%
<b>PEP*</b>	No	No	No	No	No	Yes	No

**Alternates:**

Name	ÁLVARO VELÁSQUEZ COOK	ISABEL CRISTINA MARTÍNEZ CORAL	EFRAIN OTERO ÁLVAREZ	JORGE IVÁN VILLEGAS MONTOYA	SANTIAGO MADRIÑAN DE LA TORRE	PABLO NAVAS SANZ DE SANTAMARÍA	LUIS CARLOS GÓMEZ CHARRIA
<b>Title</b>		Vice-President of Sustainability and Corporate Services at Banco de Bogota					Legal Representative and partner Eficorp S.A.
<b>Age</b>	More than 60 years	40-60 years	More than 60 years	More than 60 years	More than 60 years	More than 60 years	More than 60 years
<b>Independen t</b>	No/ Equity	No/ Equity	No/ Equity	No/ Equity	No/ Equity	Yes	Yes
<b>Time on the board</b>	1992	2021	1988 (with intervals)	1989 (with intervals)	1999 (with intervals)	2021	2018
<b>Other Boards</b>	-Grupo Aval Acciones y Valores S.A. -Banco de Bogotá S.A. -Banco de Bogotá (Panamá) -Plantaciones Unipalma de los Llanos S.A. -Proindesa -BAC Credomatic  Has belonged to: -Banco Ganadero S.A. -Banco Extebandes S.A. -Empresas de Acueducto y Alcantarillado de Bogotá ESP -Deceval S.A.	-Megalínea S.A. -Caja Colombiana de Subsidio Familiar	-Grupo Aval Acciones y Valores S.A. -Porvenir S.A. -Banco de Occidente – Panamá -Fundación Grupo Aval	-Banco de Bogotá S.A. Has belonged to: -Fiduciaria Bogota S.A.	Has belonged to: -Banco Andino Colombia S.A. -Banitsmo -Fiduciaria Fiducor S.A. and -Grupo Bolivar S.A.	-Extrucol S.A. -Metrex S.A.	-Belonged to the Board of Directors of Leasing Corficolombiana

	-Compañía Agrícola de Inversiones S.A. -Celanese -Coviandes S.A.S. -Gas Natural S.A., ESP						
<b>Education</b>	-Economist Universidad de Antioquia -Candidate to MSc in Economics London University (L.S.E.)	-Electronic and Telecommunications Engineer from Universidad del Cauca -MBA from Universidad de los Andes -Master of Economics and Telecommunications from UNED (Madrid) Specialist in Mobile Communications	-Economist from Universidad del Valle -Master of Industrial Engineering of Universidad del Valle	-Lawyer and Economist Universidad Javeriana -Specialist in Commercial Law Colegio Mayor Nuestra Señora del Rosario	-Economist Universidad de los Andes -Advance Management in Banking University of Pennsylvania	-Industrial Engineer from Cornell University in Ithaca, New York -Master of Administration from Universidad de los Andes	-Industrial Engineer, State University of New York -MBA, State University of New York
<b>Experience</b>	-Director DANE -Manager Corporacion Financiera Nacional -President Pedro Gomez & Cia S.A -Representation Manager Apple Computer -Member Advisory Committee Banking Superintendent -Professor and Dean of the School of Economics Universidad de Antioquia	-Director of Transformation Banco de Bogota -Commercial and Mobility Vice-President, Empresa de Telefono de Bogota ETB -Strategic Planning Coordinator, Movistar -Project Manager, Centro de Investigacion y Desarrollo en TICs CINTEL	-President Banco de Occidente S.A., where he was also Executive Vice-President and Financial Vice-President	-Vice-Minister of Communications -Minister Plenipotentiary Sindicato Universal de Correos -President Corporacion Financiera Colombiana S.A. -President Fedeleasing	Manager Leasing Union S.A. -Comptroller Banco Interamericano -Representative Skandinaviska Enskilda (SEB), Philadelphia Nat. Bank and Sockholm Enskida Bank	-Member Superior Council Universidad de los Andes and rector of the same university -Vice-rector Colegio San Carlos Founding Member Colegio Los Nogales -General Manager Productos Lacteos La Campiña -Director of the commercial office of Proexport in New York -Manager of Asociacion Alianza Educativa -President of Global Education Group Colombia	-Commercial Vice-President Citibank Colombia -Treasurer and Credit Analyst Bank of America Colombia -Treasurer Banco Colombo Americano -Marketing Manager Banco Interoceanico de Panama -Treasurer Occidental de Colombia
<b>% Attendance</b>	96%	87.5%	100%	96%	100%	100%	100%
<b>PEP*</b>	No	No		No	No	No	No

\*Politically Exposed Person (PEP) in accordance with the provisions of Decree 1674 of October 21, 2016

## 2. Management Report

### 2.1. Introduction

The world, the economy, business and our daily lives have been profoundly transformed in the last two years, presenting great challenges and opportunities. 2021 was a year of transition between the most difficult part of the health crisis, the restrictions on mobility, the great economic impacts of 2020 and the beginning of a process of economic recovery and normalization of social activities in an environment of uncertainty and new challenges.

For Corficolombiana, it was a year of important achievements. We celebrated 60 years of history with exceptional financial results, as well as outstanding leadership in environmental, social and corporate governance matters.

The resilience of our businesses and the preparation we made for years to face unexpected and high-impact events, ensured that the greatest global crisis in the last seventy-five years did not materially affect the assets of the Corporation, nor the equity of its shareholders.

On the contrary, our focus on sustainability has allowed us not only to keep our activities and businesses in full swing but to contribute decisively and effectively to the needs of our stakeholders.

We have persisted in our priority of maintaining the employment and investment of our companies. It is these two elements that enable our employees, customers, suppliers, shareholders and the communities in which we carry out our activities to benefit from our commitment to sustainability, despite the difficulties of the environment.

#### Relevant Figures of Corficolombiana and its Investments for its Stakeholders

	2019	2020	2021
Consolidated Investment (\$MM)	2,133	2,073	2,239
Direct and Indirect Jobs	28,498	28,624	31,252
Number of Suppliers	17,896	13,571	15,874
Consolidated Payment to Suppliers (\$MM)	5,766	5,929	7,612
Consolidated Taxes Paid (\$MM)	256	353	391
Social Investments (\$MM)	25.6	30.5	60.5
Individual Net Profit (\$MM)	1,566	1,655	1,716
Dividends Paid Corficolombiana (\$MM)	463	783	662

Source: Corficolombiana Calculations

In line with our long-term vision, we have worked to make an important contribution to the development of our country. The cycle of investments that we have made in recent years and that has been especially significant in infrastructure and energy, focused on fourth generation road projects and the expansion of Promigas, reached its peak in 2021. The end of this investment cycle coincides with the new economic and social scenario, so we will have to look for new investment opportunities and move forward with our ability to adapt, innovate and continue to generate value for our stakeholders, in a context of great challenges.

### Corficolombiana's Historical Consolidated Investment by Sector

Investments (Figures in \$MM)	2014	2015	2016	2017	2018	2019	2020	2021	TOTAL
Infrastructure	437	564	946	606	1,000	1,272	1,479	1,478	7,781
4G	12	138	515	432	977	1,272	1,467	1,465	6,277
Others	425	426	431	174	23	0	11	13	1,503
Energy and Gas (Promigas)	275	498	415	158	537	832	579	748	4,041
Agribusiness	56	36	39	77	24	19	9	12	272
Hospitality	38	44	65	0	56	10	6	1	219
<b>Total (2014- 2021)</b>	<b>805</b>	<b>1,142</b>	<b>1,466</b>	<b>841</b>	<b>1,615</b>	<b>2,133</b>	<b>2,073</b>	<b>2,239</b>	<b>12,313</b>

Source: Figures provided by the companies

In 2021, thanks to the firm response of governments and economic authorities that increased public spending to support demand, monetary issuance and the fall in interest rates, economic activity reached levels very close to those of 2019. This year our companies felt and benefited from the recovery in demand. The transport and consumption of natural gas had an important growth, air and road traffic returned to 2019 levels and even higher, and hotel occupancy in the last part of the year returned to historical levels.

However, these same companies experienced the imbalances caused by the situation in terms of changes in consumer habits, accumulation of inventories and orders and the aftermath of the interruption of supply chains, which together with emergency economic policies, led us to a situation of inflation, shortages and increased prices of essential inputs such as energy, transportation and skilled labor as well as bubbles in the prices of certain products and assets.

This environment presents us with new challenges for the years to come. We will have to continue looking for investment opportunities within a situation of uncertainty and continue to generate value for our stakeholders. We are prepared to do so. We have adapted; we have learned to do things differently; we have joined forces seeking a common goal; we have overcome difficulties; we have innovated, but above all we have been faithful to our priority of working and investing for the progress of the country. The results we show in this report demonstrate this.

#### 2.2 2021 at a Glance

- **January:** Corficolombiana, together with its subsidiaries Fiduciaria Corficolombiana and Casa de Bolsa, receives Great Place to Work Certification
- **February:** Unipalma received ISCC PLUS and ISCC Certified GHG Savings certifications
- **April:** Promigas begins early operation of Gases del Norte del Perú
- **May:** Corficolombiana pays \$661,737 million in dividends, of which 83% was in shares
- **June:** Covipacífico delivers the first 5.2 kilometers of road and obtains a loan for USD 150 MM from Santander S.A. and Sumitomo Mitsui Banking Corporation.

- **July:** Fitch Ratings downgrades Corficolombiana's international risk rating from BBB-with a negative outlook to BB+ with a stable outlook, as a result of Colombia's sovereign risk rating downgrade from BBB- to BB+
- **August:** BRC Investor Services ratifies the maximum local AAA rating to Corficolombiana / Corficolombiana reports for the first time to the Carbon Disclosure Project (CDP)
- **September:** Promigas and its subsidiary Surtigas inaugurate the largest solar plant in Cartagena in a Shopping Center
- **October:** Corficolombiana makes its first issue of social bonds for a total amount of \$500 billion
- **November:** Corficolombiana was included for the second consecutive year as a member of the Dow Jones – Mila Sustainability Index
- **December:** The Coviandina, Covipacífico and Covioriente 4G concessions close the year with work progress of more than 80%.

### 2.3 Economic Context

2021 took place within a challenging and uncertain economic context. After the worst contraction in the modern history of the country, with a fall in GDP of 7% in 2020, the Colombian economy grew 10.6% in 2021 hand in hand with the progress of the vaccination campaign and the normalization of much of the economic activity. Private consumption accounted for 10.3 percentage points of this growth. However, the performance of economic activity was not reflected in a proportional recovery of employment since the number of employed in 2021 is 5% below the average levels of 2019.

Annual inflation picked up faster than expected driven by the sharp rise in food prices following the national strike in May, rising agricultural input prices and global logistics bottlenecks. Thus, inflation increased to 5.62% at the end of 2021, four percentage points above the level at the end of 2020.

For its part, the exchange rate registered high volatility in 2021 and devalued 16% against the US dollar, being one of the most devalued emerging currencies. This is mainly explained by the global strengthening of the dollar in the expectation of an early reduction of monetary stimulus by the Federal Reserve, the increase in the country risk premium at the local level, and the influx of foreign currencies by the Government associated with the issuance of debt in foreign markets and the sale of ISA.

Despite the weakness of the peso and as a result of the recovery in domestic demand, the current account deficit widened to 5.4% of GDP in the first half of 2021 and is expected to close the year at a level close to 6%. This imbalance in the external accounts continues to be an important vulnerability factor of the Colombian economy.

Looking ahead to 2022, the economy is expected to continue in its recovery process in a challenging context as a result of the increase in domestic and international inflation, and subsequently of monetary policy interest rates in different latitudes, including the reference rate of the Central Bank, as well as the uncertainty associated with the electoral process in the country.

## 2.4 Financial Results

### Consolidated figures: EBITDA: \$4.9tn, Consolidated Profit: \$1.28tn and Separate Net Profits: \$1.72

This was an outstanding year in terms of our financial management. At a consolidated level, EBITDA grew 9.5% with a margin of 42.9%, which demonstrates the resilience and rapid recovery of our businesses as they are in essential and priority sectors for economic recovery.

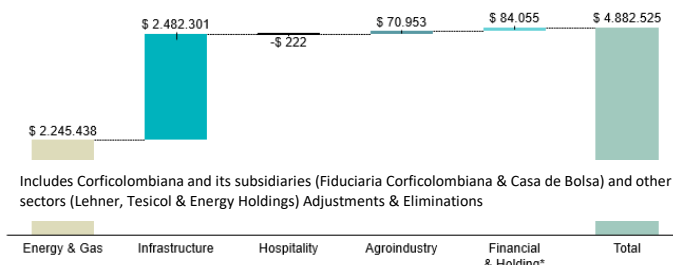
The good performance of our investments in the real sector whose gross margin reached \$5 trillion with a growth of 9% compared to 2020 stands out. We achieved this thanks to i) the contribution of the infrastructure business for \$2.6 trillion with a growth of 15%. The three fourth generation (4G) concessions under construction reached an average work progress of 82.8% at the end of the year (vs. 62.4% at the end of 2020) and the average traffic for the six roads operated by Corficolombiana returned to 115 thousand vehicles per day, ii) the stability of the gas business whose gross margin remained at \$2.2 trillion, iii) the good performance of the agro-industrial sector (+48.5% y/y) leveraged in the increase in international prices of palm oil and rubber, as well as the increase in production capacity and technification, iv) the recovery of the hospitality sector that closed the year with an average occupancy of 67% in Colombia, returning to pre-pandemic levels and exceeding the average of Cotelco (58%).

On the other hand, the gross margin of the financial business (treasury of Corficolombiana and financial affiliates) registered a year-on-year reduction of 18.8%, mainly as a result of the increase in rates of the Central Bank and inflation in the last quarter of the year that affected the rates of TES and private debt securities, generating lower profitability compared to 2020.

Consolidated financial expenditure (net) recorded a growth of 28.5% reaching \$845 billion. This is the result of the increase in the balance of financial obligations by \$2.6 trillion to advance the construction of the works of the infrastructure and gas sectors, including a bond issue for \$500 billion from Corficolombiana. This increase in interest expense was partially offset by an improved performance of Promigas' Non-Bank Financing business. The average cost of funding real sector affiliates remained practically stable at 6% at the end of 2021 (versus 6.2% in 2020), while Corficolombiana holding's funding to finance the equity portfolio increased from 5% to 6.9%.

Consolidated personnel and general expenses registered an increase of 11% compared to 2020, as a result of the normalization of economic activities with the end of the quarantine. Despite this increase, the figure remains below that reported in 2019. On the other hand, provisions increased by \$144 billion (+154%) mainly explained by the impairment of commercial credit that originated in 2017 when we acquired control of Covipacífico.

#### EBITDA PER SECTOR



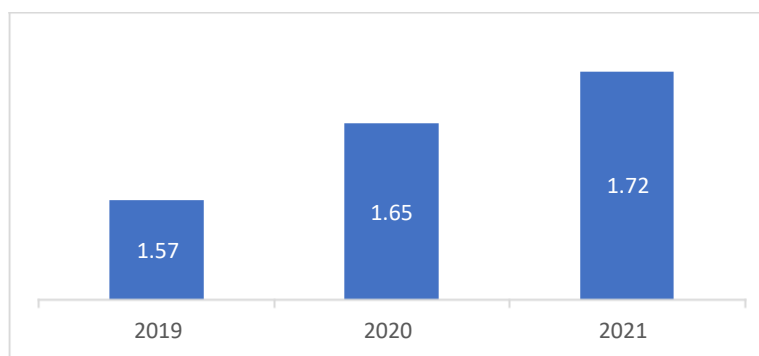
Finally, despite the increase in EBITDA, our consolidated Net Income reflects a reduction of 21.9% compared to 2020, mainly due to non-recurring expenses caused by the increase in the tax rate for companies from 31% to 35%, which was reflected in a higher liability for deferred tax, a situation that has no effect on cash. Eliminating this impact, controlling net income would have registered a year-on-year growth of 3.6%.

On the balance sheet, consolidated assets totaled \$47 trillion, with a positive variation of 23.2%. Assets grew by \$8.8 trillion thanks to construction progress in the 4G road concessions in Colombia and in the Gases del Pacífico and Gases del Norte del Perú gas pipelines, which are reflected in a \$5.3 trillion increase in assets on concession agreements. Additionally, our treasury's investments in fixed income increased \$1.6 trillion in line with the business strategy.

Liabilities increased \$7.6 trillion during the year mainly due to the funding of our treasury operations (interbank funds grew \$2.5 trillion), the increased indebtedness (\$2.1 trillion) to advance the construction of works in infrastructure (\$1.3 trillion) and gas (\$775 billion) sectors, the increase of \$1.1 trillion in deferred tax liabilities (particularly in road concessions under construction); and the issuance of social bonds for \$500 billion.

At the separate level, net income reached \$1.7 trillion, with an annual growth of 3.7%. The main income comes from equity investments through the MPU Profit Sharing Method (\$1.94 trillion) and dividends (\$140.29 billion), which, in total, grew 12.8% compared to the previous year. The good performance of equity investments was partially offset by a lower margin of the treasury business (-40.1% y/y), as a result of the increase in the Central Bank's rates and inflation in the last quarter of the year that affected the rates of TES and private debt securities, and by the provision of \$57 billion corresponding to the impairment of commercial credit registered in 2017 due to the acquisition of Covipacífico control.

### Evolution UN 2019-2021 (COP TN)



The separate asset closed the year at \$21.7 trillion with a year-on-year growth of 22.9%, mainly explained by capitalizations, listed stock prices and profits in infrastructure companies, and by an increase of \$1.6 trillion in the fixed income investment portfolio, particularly TES. Liabilities reached \$11.4 trillion, growing 38.2% versus 2020. Passive interbank funds recorded the largest increase (\$2.2 trillion) in line with increased treasury activity in fixed income investments.

As part of its strategy to strengthen and diversify financial liabilities aimed at financing equity investments, we issued \$500 billion in social bonds aimed at financing or refinancing our capital contributions in the Covioriente and Covipacífico road concessions. As a result of this issuance and the treasury's efforts to extend the term of the CDTs, the average maturity of the equity portfolio funding remained at 7 years. On the other hand, the equity amounted to \$10.3 trillion with a year-on-year growth of 9.5%.

The separate and consolidated audited financial statements without notes are contained in the annex to this 2021 Management and Sustainability Report. Audited financial statements with notes are available digitally on our website [www.corficolombiana.com](http://www.corficolombiana.com).

## 2.5 Business Performance

As of December 2021, our investment portfolio reached a book value of \$14.2 trillion represented in 120 companies in which we invested directly and indirectly.

### Number of Corficolombiana Companies as of Dec 2021

Investments (# Companies)	Subordinates	Associates	Equity Instruments	In Liquidation	Total
Direct	25	4	19	5	53
Indirect	38	7	22	0	67
<b>Total Consolidated</b>	<b>63</b>	<b>11</b>	<b>41</b>	<b>5</b>	<b>120</b>

Source: Corficolombiana

Book value grew 12.6% compared to December 2020, especially in the infrastructure and energy sectors that remain the most representative of our portfolio.

### Book Value<sup>4</sup>

Company	Direct and indirect Interest of CFC		Book Value		Interest in CFC Portfolio	
			(\$MM)			
	Dec-20	Dec-21	Dec-20	Dec-21	Dec-20	Dec-21
Promigas	50.90%	50.90%	2,223	2,568	17.6%	18.1%
GEB	5.20%	5.20%	1,260	1,188	10.0%	8.4%
Others			9	10	0.1%	0.1%
<b>SUBTOTAL ENERGY AND GAS</b>			<b>3,492</b>	<b>3,766</b>	<b>27.7%</b>	<b>26.5%</b>
Concecol	100.00%	100.00%	4,197	4,851	33.3%	34.2%
Prodepacifico	100.00%	100.00%	2,043	2,377	16.2%	16.8%
Episol	100.00%	100.00%	827	784	6.6%	5.5%
Epiandes	100.00%	100.00%	429	708	3.4%	5.0%
Prodevimar	100.00%	100.00%	220	260	1.7%	1.8%
Pisa	88.30%	88.30%	115	144	0.9%	1.0%
Aerocali	50.00%	50.00%	2	9	0.0%	0.1%

<sup>4</sup> Book value of 53 direct investments

Prodeandino	100.00%	100.00%	10	7	0.1%	0.1%
Prodeoriente	100.00%	100.00%	0,8	0,8	0.0%	0.0%
Others			135	185	1.1%	1.3%
<b>SUBTOTAL INFRASTRUCTURE</b>			<b>7,979</b>	<b>9,326</b>	<b>63.3%</b>	<b>65.7%</b>
Pajonales	99.70%	99.70%	218	222	1.7%	1.6%
Unipalma	54.50%	54.50%	72	84	0.6%	0.6%
Others			9	11	0.1%	0.1%
<b>SUBTOTAL AGRIBUSINESS</b>			<b>299</b>	<b>317</b>	<b>2.4%</b>	<b>2.2%</b>
H. Estelar	85.00%	85.00%	277	259	2.2%	1.8%
Santamar	84.70%	84.70%	34	35	0.3%	0.2%
Others			0,087	0,053	0.0%	0.0%
<b>SUBTOTAL HOSPITALITY</b>			<b>311</b>	<b>294</b>	<b>2.5%</b>	<b>2.1%</b>
Fiduciaria Corficolombiana	94.50%	94.50%	59	55	0.5%	0.4%
Casa de Bolsa	38.95%	38.95%	16	14	0.1%	0.1%
Others			41	36	0.3%	0.3%
<b>SUBTOTAL FINANCIAL</b>			<b>152</b>	<b>121</b>	<b>1.2%</b>	<b>0.9%</b>
Mineros	8.50%	8.50%	93	87	0.7%	0.6%
Tesicol	95.00%	95.00%	25	27	0.2%	0.2%
BVC	4.00%	4.00%	29	24	0.2%	0.2%
Valora	100.00%	100.00%	207	213	1.6%	1.5%
Others			47	27	0.4%	0.2%
<b>SUBTOTAL OTHER SECTORS</b>			<b>402</b>	<b>378</b>	<b>3.2%</b>	<b>2.7%</b>
<b>TOTAL PORTAFOLIO</b>			<b>12,635</b>	<b>14,287</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Corficolombiana

Portfolio companies generated revenues of \$2.1 trillion, 12.8% more than in 2020, through the profit-sharing method (MPU) and dividends.

### Corficolombiana's Income by Equity Method

MPU (COPMMM)	2020	2021	Var. %
<b>Energy and Gas</b>	<b>580</b>	<b>587</b>	<b>1%</b>
Promigas S.A.	579	585	1%
Others	1	2	97%
<b>Infrastructure</b>	<b>1,203</b>	<b>1,348</b>	<b>12%</b>
Subtotal Concesiones 4G	1,092	1,173	7%
Pacifico 1	313	419	34%
Villavicencio - Yopal	365	526	44%
Chirajara - Fundadores	414	231	-44%
Mulaló - Loboguerrero	-0,4	-2	N.A.
PISA	79	110	39%
Panamericana	7	7	-1%
Aerocali	-11	17	256%
Others	36	41	15%
<b>Hospitality</b>	<b>-26</b>	<b>-8</b>	<b>N.A.</b>

Hoteles Estelar de Colombia S.A.	-25	-9	N.A.
Santamar	-1	1	216%
<b>Agribusiness</b>	<b>9</b>	<b>22</b>	<b>133%</b>
Plantaciones Unipalma de los Llanos S.A.	4	14	210%
Mavalle S.A.	1	2	67%
Organizacion Pajonales S.A.	4	6	62%
<b>Financial</b>	<b>14</b>	<b>13</b>	<b>-3%</b>
Fiduciaria Corficolombiana S.A.	12	13	2%
Casa de Bolsa S.A.	2	1	-46%
<b>Others</b>	<b>-10</b>	<b>-20</b>	<b>N.A.</b>
Tejidos Sinteticos de Colombia S.A.	4	6	37%
Valora S.A.	-3	6	337%
Others/adjustments	-12	-33	N.A.
<b>Total General</b>	<b>1,770</b>	<b>1,941</b>	<b>10%</b>

Source: Corficolombiana

#### Dividend Income

COMPANY	2020 (\$MM )	2021	Var. %
Empresa de Energía de Bogotá	66.54	129.76	95.0%
Mineros S.A.	4.31	5.75	33.0%
Bolsa de Valores de Colombia	1.02	2.83	177.0%
Fiduciaria Occidente S. A.	1.59	1.89	18.0%
Cámara de Riesgo Central de Contraparte	0.03	0.05	81.0%
AV Villas	0.03	0.02	-30.0%
Bladex S.A.	0.01	0.01	-11.0%
Cámara de Compensación de Divisas	0.07	0.00	N.A.
Vanti S.A.	1.04	0.00	N.A.
<b>TOTAL DIVIDENDS</b>	<b>74.65</b>	<b>140.29</b>	<b>88.0%</b>

Source: Corficolombiana

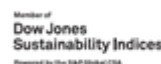
Here is a brief overview of highlights of each sector during 2021:

#### Infrastructure

The main income of Corficolombiana in recent years is that which has to do with the results of the execution of the works foreseen in the fourth generation concession contracts -4G- of the three projects that are in the construction stage. The construction of these three projects has made significant progress and they are close to being completed practically in their entirety in 2022.

#### DIRECCIÓN GENERAL

Carrera 13 No. 26-45 Piso 8  
Bogotá D.C. - Pbx. (1) 2863300  
[www.corficolombiana.com](http://www.corficolombiana.com)



### Infrastructure Business Profits

Company	CFC Interest	Final Net Profit	Final Net Profit	Percentage Variation
	Direct and Indirect	2020* (\$MM)	2021* (\$MM)	
Covipacifico SAS	100%	366	562	53.4%
Coviandina SAS	100%	438	276	-37.1%
Covioriente SAS	100%	347	531	52.8%
Covimar SAS	100%	-0.2	-2	n.a.
Pisa SA	88.25%	90	125	38.7%
CCFC SAS	88.25%	28	37	33.0%
Panamericana SAS	100%	7	7	-0.7%
Aerocali	50%	-23	39	n.a.
Sacsa	11.55%	-12	50	n.a.

Source: Financial statements reported by companies in the sector

In 2021, our concessions executed work (CAPEX) in the amount of \$1.5 trillion

### Progress of 4G Projects

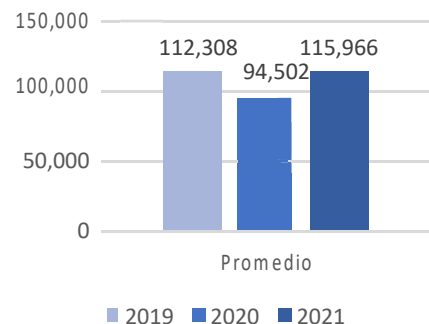
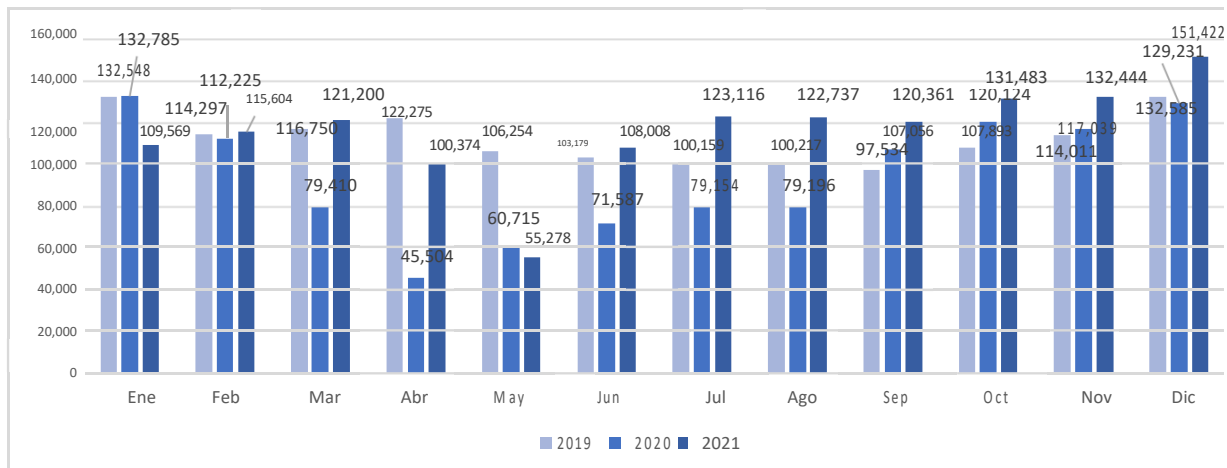
Company	Work Progress (%)		Capex Execution (\$MM)	
	2020	2021	2020	2021
Covipacifico	27.60%	21.86%	628	586
SAS Coviandina	16.80%	13.92%	328	275
SAS Covioriente	20.90%	25.41%	491	593
SAS Covimar	0.20%	0.11%	21	12
SAS Total			1,467	1,466

Source: Financial statements reported by companies in the sector

Traffic on our roads recovered significantly in 2021 despite specific events in some months such as civic strikes in the second quarter of the year or quarantines due to new peaks of the pandemic in January and June.

Towards the end of the year, we already had traffic even higher than in 2019. This shows the economic and social activity recovery that we expect to continue in 2022.

### Average Daily Traffic (TPD)



Source: Financial statements reported by companies in the sector

A similar situation was observed in passenger traffic in the airport concessions in which we invest (Cali and Cartagena). In both cases, important recoveries have been achieved with respect to 2021 and very similar to 2019.

### Passengers Mobilized in Airport Concessions

Passengers Mobilized	Domestic			International			Total		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Aerocali	4,487,156	1,669,047	4,532,420	1,199,072	366,364	804,373	5,686,228	2,035,411	5,336,793
Sacsa	4,743,447	1,592,886	4,098,661	1,030,327	330,325	508,159	5,773,774	1,923,211	4,606,820

Source: Financial statements reported by companies in the sector

## Energy Sector

### Energy and Gas Business Profits

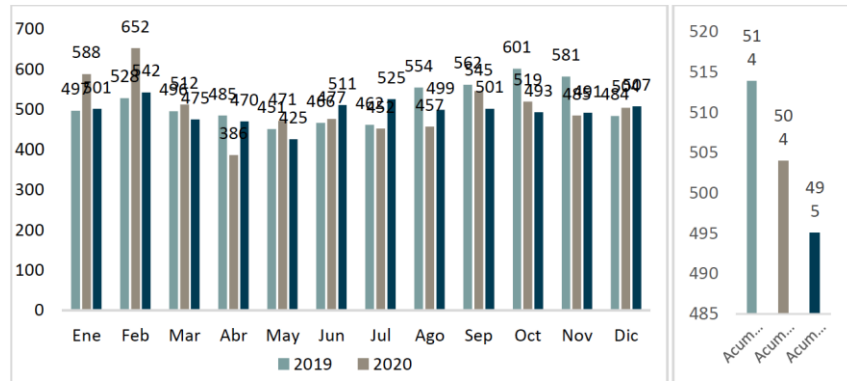
<b>Company</b>	<b>Final Net Profits 2020 (\$MM)</b>	<b>Final Net Profits 2021 (\$MM)</b>	<b>Percentage Variation</b>
Promigas SA ESP	1,137	1,149	1.02%
GEB SA ESP	2,514	2,525	0.5%

Source: Financial statements reported by companies in the sector

During 2021, Promigas' business strengthened, despite the difficulties presented by the national unemployment situation. Profits increased 1.02% from a year earlier and stood at \$1.15 trillion. The volume of gas distributed performed well and grew by 19% vs last year and the volume of gas transported decreased by -2% vs 2020, mainly due to the damage suffered by the Gibraltar – Bucaramanga pipeline in August 2021 due to bad weather conditions and different landslides.

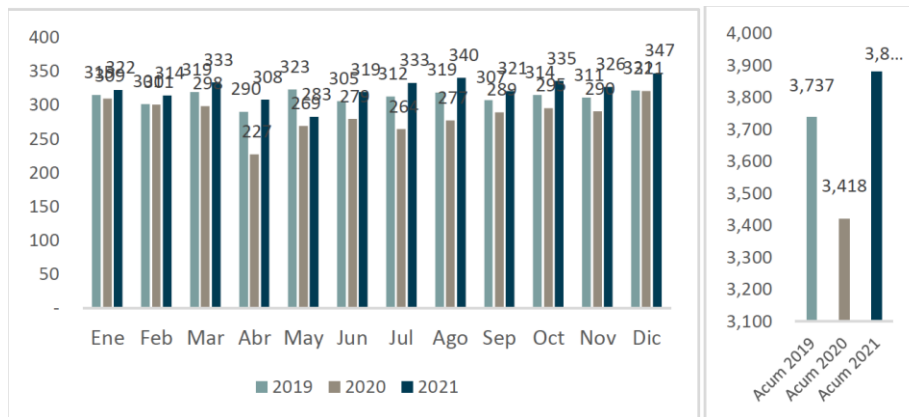
Gas consumption in our companies rebounded significantly, as well as other services such as non-bank financing -Brilla-, which closed the year with a total disbursed balance of \$ 1.35tn in Dec 2021, 35% higher than in 2020.

### Gas Transportation Colombia (MPCD)



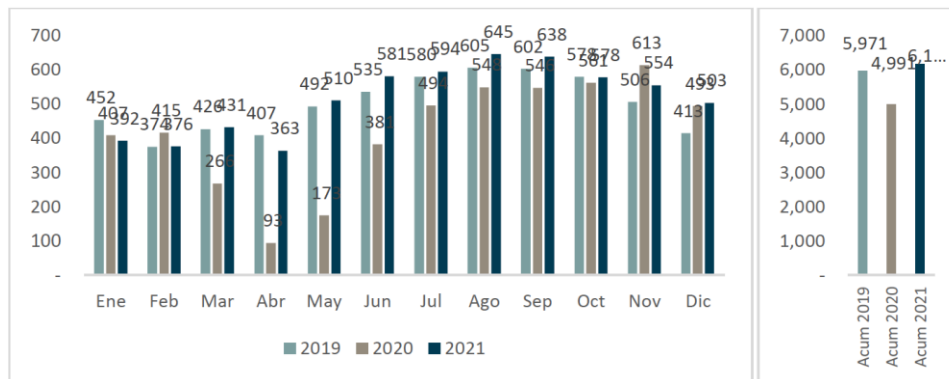
Source: Promigas

### Gas Distribution Colombia (MM m3)



Source: Promigas

### Gas Distribution Peru (MM m3)



Source: Promigas

There are other aspects that are worth highlighting in the performance of Promigas and its companies. Firstly, the fact that after five years of delay, the Energy and Gas Regulatory Commission - CREG - published the new transport tariff methodology. As expected, the recognized cost of capital

(WACC) was reduced by about 3.4% and other important changes were established in the methodology such as its calculation in pesos and not in dollars, its application in stages and the rate for assets at the end of their regulatory useful life. The impact of these modifications in principle is neutral for Promigas and we do not expect a significant change in its total transport revenue from this effect.

On the other hand, we want to highlight the progress of the internationalization strategy of Promigas especially in Peru. Its operation was consolidated in Promigas Peru, which also manages and coordinates the two concessions in the north (Gases del Pacífico and Gases del Norte del Perú) using the trademark Quavii. Of course, we closely and permanently follow the unstable political situation in Peru, assess the risks that this situation has in our investment and implement measures to limit this risk.

Finally, Promigas invested more than \$30 billion in social projects, started its first hydrogen pilot and increased its solar energy projects closing the year with 17.5 MWp installed.

#### Users and Gas Consumption in Peru

	Users Served 2020	Users Served 2021	Gas Consumption 2020 (MM m3)	Gas Consumption 2021 (MM m3)
Gases del Pacífico	123,127	169,601	78	76
Gases del Norte del Perú	1	3,685	3	49
Total	123,128	173,286	82	126

Source: Promigas

Additionally, we want to highlight the performance of Grupo Energía Bogotá -GEB-, a company in which we have a minority but significant stake, which in 2021 achieved outstanding financial results and the consolidation of strategies in which it had been working for some time. On the one hand, the agreement with ENEL to resolve a multi-year dispute that concluded, among other things, with a payment of extraordinary dividends to GEB and from it to its shareholders; and the definition of a new strategy of joint growth in the distribution and generation of electricity, especially renewable, which will undoubtedly bring benefits in the future. It is also important to highlight the results in its diversification and internationalization strategy such as the new investments in electricity transmission in Brazil.

#### Hospitality Sector

#### Profits in the Hospitality Business

Company	Final Net Profits 2020 (\$MM)	Final Net Profits 2021 (\$MM)
Hoteles Estelar	-44	-11

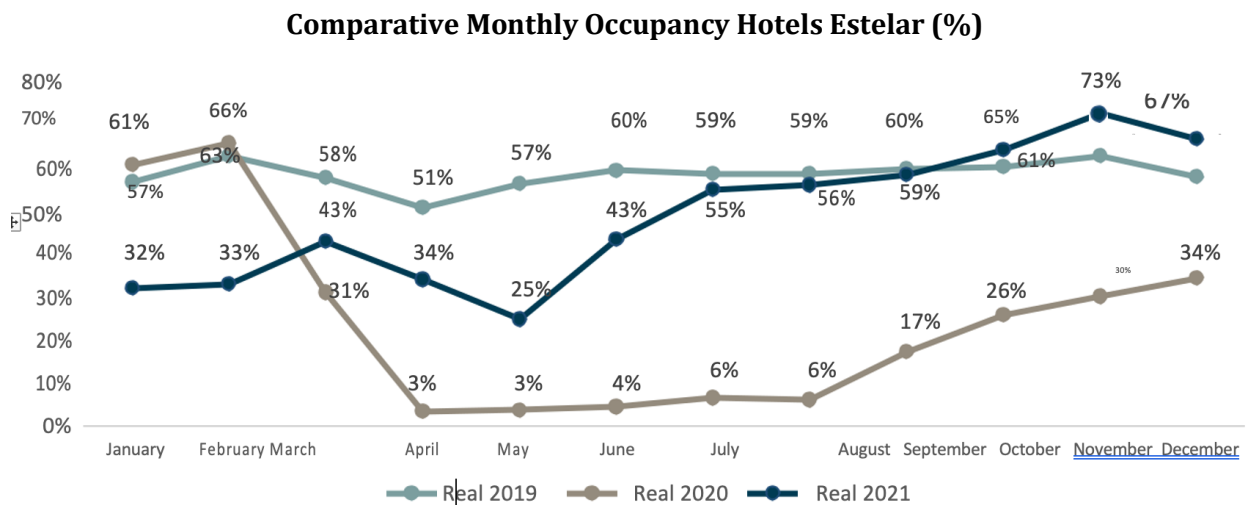
Source: Financial statements reported by companies in the sector

\* Adjusted 2020 profit

After the closures of operations for almost six months in 2020 due to mobility restrictions during the pandemic, occupancy has gradually recovered since the last quarter of that year thanks to the implementation of strict biosecurity protocols and the Estelar te Cuida strategy.

2021 was a year of challenges and opportunities to regain the confidence of domestic tourism. The year started with a dynamism of the holiday market, being overshadowed in the months of April, May and June by the third peak of the pandemic and national unemployment, contrasted with the positive behavior of the second semester in which, in addition to the holiday market, the reactivation of the corporate market towards urban destinations began. Thus occupations were progressively increasing, and since July 2021 they reached more than 50%, placing 8 percentage points above the occupation reported by Cotelco. In the last quarter of the year, the occupancy level of 60% was exceeded, which is a pre-pandemic level, and even in the last months of the year the occupations were higher than those of 2019, reaching an accumulated occupancy of 49% exceeding the national average reported by Cotelco of 42.57%.

However, the operation and services are not the same as before. The habits of customers have changed especially in relation to tourism and corporate events and our operations adapt to change, seeking innovation and efficiency. So in 2021 efforts focused on updating the room infrastructure and creating new food and beverage environments in most hotels in accordance with the trend of the corporate and vacation market.



Source: Hoteles Estelar

Although in the total of the year Hoteles Estelar had a loss of \$ 11.053 billion, this decreased by 75% compared to that of 2020 (\$ 43.787 billion). During 2021, all the savings measures implemented in 2020 were maintained, adjusting the payroll only in those hotels that increased their occupancy despite the fact that operating expenses have increased above inflation due to the pressure of the exchange rate and the logistical problems of transport.

Finally, it should be noted that the company refinanced all debt in the best financial market conditions making cash flow viable, in such a way that the company's focus is its operational recovery. Thus, since July, the break-even point and positive operating profit were reached.

### Agribusiness Sector

**DIRECCIÓN GENERAL**

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Bogotá D.C. - Pbx. (1) 2863300  
[www.corficolombiana.com](http://www.corficolombiana.com)



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### Profits of the Agribusiness Sector

Company	Final Net Profits	Final Net Profits	Percentage Variation
	2020 (\$MM)	2021 (\$MM)	
Pajonales	4	6	61.9%
Unipalma	8	25	209.7%
Mavalle	3	4	67.0%

Source: Financial statements reported by companies in the sector

During 2021, agro-industrial businesses were characterized by two factors: on the one hand the volatility in the prices of products, and on the other the increase in price, and shortage of inputs and logistical restrictions for both inputs and products.

Thus the fall in the price of rice, which has been occurring since the end of 2020, caused us to reduce the sowing of this product and increase that of others such as corn and cotton, which had better prices during 2021.

On the other hand, palm oil had historically high international prices, with an increase of 113% from its lows in May 2020, which together with the devaluation of the Colombian peso against the dollar explain a 53% growth in operating income.

Finally, after a recovery in the international price of TSR10<sup>5</sup> rubber, a production of 10,272 Tons and the sale of \$2.505 billion of carbon credits, the commercialization of rubber reached a maximum revenue of \$90.566 billion, representing a growth of 41% compared to 2020 revenues.

In terms of costs, the increase in key raw materials for fertilization such as urea (282%), diammonium phosphate (83%) and triple superphosphate (102%), produced increases in field work. Despite this, the growth in productivity, optimization in the processes of supply of raw material and a successful exchange hedging strategy allowed to keep the margins of the companies under control, which remained above 15%.

### Operating Results of the Agribusiness

	Sales Ton	Price/ton	Gross Margin	Sales Ton	Price /ton	Gross Margin
	2020	2020	2020	2021	2021	2021
Palm Oil	24,889	2,372,725	25.2%	23,848	3,913,128	32.3%
Rice Paddy	16,149	1,423,000	41.5%	12,753	1,067,047	15.1%
TSR10 Rubber	7,108	4,669,000	17.9%	10,272	6,205,821	15.3%

Source: Information reported by companies in the sector

### Financial Sector

<sup>5</sup> Technically specified granulated rubber under international quality standards

### Profits of the Financial Sector

Company	Final Net Profits 2020 (\$MM)	Final Net Profits 2021 (\$MM)	Percentage Variation
Fiduciaria Corficolombiana	13	13	1.9%
Casa de Bolsa	4	2	-45.9%

Source: Financial statements reported by companies in the sector

In 2021, the financial markets were characterized by volatility, although without reaching the intensity of that of the first quarter of 2020. Both local and international assets and the exchange rate had unforeseen behaviors due to the strong changes in economic conditions that we described at the beginning.

In this context, Fiduciaria Corficolombiana achieved outstanding results and even the commercial activity in the structured trust reached pre-pandemic levels. On the other hand, the effects of the market on mutual funds generated a decrease in managed balances, going from its maximum of \$4.1 trillion in February 2021 to \$2.76 trillion in December 2021, a situation that was offset through the offer of new products according to the needs of customers.

For its part, Casa de Bolsa strengthened the client business, making the company rank second in the volume market traded in shares among all the commission agents in the country. Additionally, it stood out during 2021 for its contribution to sustainability by participating in three of the six thematic bond issues with ESG criteria, reaching a total of \$1.8 trillion placed.

## Treasury and Investment Banking

### Treasury

At the end of the year, the Treasury reached profits of \$ 59.472 billion with a compliance of 122.8%. As of December 2021, our fixed income investment portfolio amounted to \$4.58 trillion compared to \$2.86 trillion the previous year, an increase of 52.3%. This variation was presented by the increase in the portfolio Available for Sale and by the growth in tradable investments due to NDF's operations and the relationship with Off-Shore clients.

Corficolombiana continues as one of the leading participants in the local public debt market with its presence within the Market Makers scheme of the Ministry of Finance and Public Credit, occupying the #7 position in the ranking at the end of 2021.

In the peso-dollar spot market (purchases and sales) we obtained a share of 11.31% at the end of 2021 and in the forwards market the share was 1.40%. The portfolio of peso-dollar forward derivatives at the end of 2021 amounted to USD 2.352 billion with a growth of 196% compared to 2020. On the other hand, the option book reached US\$ 300 million and the swap balance was higher than COP 2.0 trillion.

At the end of 2021, the Foreign Currency table was among the first counterparties by volume and traded operations, according to SetFx figures. This consolidates us as one of the most active and dynamic entities in the foreign exchange and derivatives market in Colombia, in addition to our

leadership in volumes operated in the market of other currencies (G10 and Latam). On the other hand, the portfolio of swaps and derivatives generated hedging against exposure in IBR and devaluations.

In relation to funding, in December 2021 we closed with an effective cost rate in CDTs of 5.87%, compared to a rate of 4.5% in December 2020. This increase is due to the increase in the intervention rate of the Central Bank and the inflation rate. The total number of CDTs at the end of December 2021 was \$4.6 trillion higher by 6.3% compared to the balance of December 2020, above the growth of the market. On the other hand, in October 2021 we issued Social Bonds for \$ 500 billion thus completing the program of issuance of general guarantee bonds, which generated an increase in term liabilities (CDTs and Bonds) of 16% compared to December 2020.

### *Investment Banking*

During 2021, normalcy was restored for the investment banking business. We strengthened the operation of centralizing investment banking activities for Grupo Aval, joining forces with the Group's banks and leading significant transactions. Within this point, we achieved participation and leadership in syndicated credit transactions worth close to two trillion pesos. Additionally, we made progress in working together with BAC in Central America, successfully closing two transactions in the region, in Honduras and Guatemala.

The journey of the main milestones and results of our businesses in 2021 shows the ability they have had to successfully adapt to the changing conditions of the environment. This is the result above all, of the effort of the thousands of collaborators who work every day with the conviction of doing things well. We all know that the success of our business is based on sustainability and that is why, in addition to good financial performance, we can proudly show our contribution and leadership in social, environmental and governance management. We are clear that our goal is to generate value for all our stakeholders.

Although in 2022 we will face some adverse conditions such as inflation and rising interest rates, higher taxes, regulatory restrictions and political uncertainty, at Corficolombiana we assume these challenges with determination and optimism. We are convinced that we have accumulated the experience, knowledge, human resources and capabilities to continue growing. We have ahead of us the purpose of propitiating and promoting, the generation of a virtuous circle of proposals, optimism and confidence. And for this we firmly believe that the only answer is to invest. It is crises and paradigm shifts that offer opportunities for long-term investors like us.

At Corficolombiana we believe in the essentials, in what makes us unique, and in Colombia. Therefore, we will continue to work and invest in the progress of our country.

### 3. Corficolombiana Sostenible

#### 3.1. Strategy

At Corficolombiana we have ratified our commitment to sustainability through our corporate strategy: **Corficolombiana Sostenible**. The strategy is the basis on which we have defined our objectives and business goals for the next five years, with actions, projects and initiatives that allow us to continue being leaders in generating economic, social and environmental value for our stakeholders.



For each of the pillars, annual goals have been defined until 2025, aligned with the Balanced ScoreCard model of each area. These goals are approved by the Board of Directors and monitored through the Presidency Committee and Sustainability Committee periodically. The strategy, in turn, is deployed in each area with specific actions and objectives and then in the individual performance of each of our employees.

#### Corficolombiana Leader in Sustainability



In 2021 we were included for the second consecutive year in the Dow Jones – MILA Sustainability Index ratifying our leadership in the management of economic, social and environmental issues in the region. This year was particularly significant for the growing participation of new companies in the

ranking. However, we obtained a rating 19% higher than that of 2020 and we ranked 33rd among the companies most committed to sustainability in our sector in the world ranking. In Colombia only 10 companies are part of the DJSI.



In 2021 we again obtained IR recognition from the Colombian Stock Exchange for our best practices in disclosure and investor relations.



In the framework of its 25 years, the Colombian Business Council for Sustainable Development, recognized our President for her leadership in Business Sustainability

**MSCI**  
ESG RATINGS



We received the BBB rating by MSCI Ratings for our management on environmental, social and governance issues, rising from a B rating on our first measurement in 2019



We are also **members** of the most recognized alliances on sustainability and responsible investment issues:



**United Nations**  
Global Compact

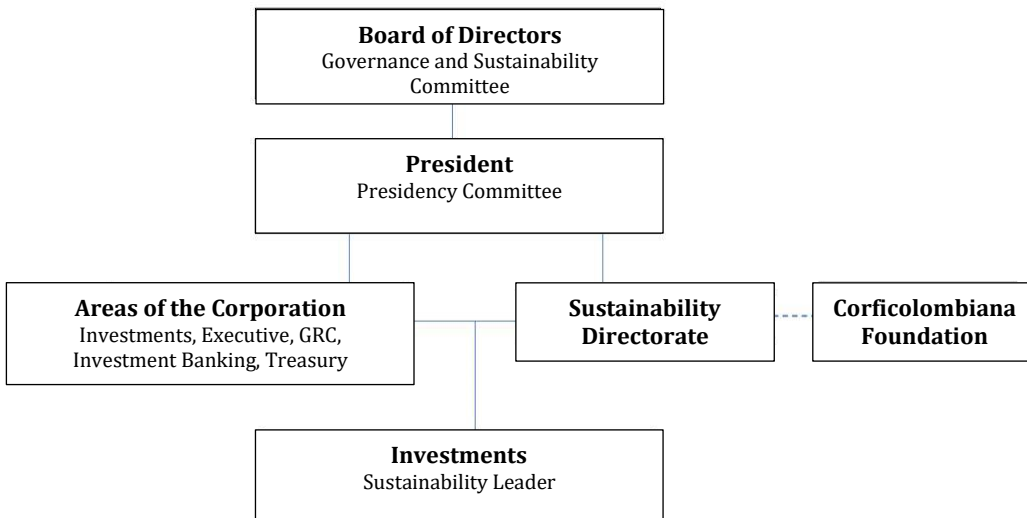


### **Sustainability Governance**

Sustainability at Corficolombiana is based on the leadership of our Board of Directors, which in plenary sessions and through the Governance and Sustainability Committee monitors initiatives, goals and establishes lines of action.

The Presidency of the Corporation leads the implementation of our strategy and relies on the Presidency Committee formed by the management team that proposes and monitors the programs, projects and initiatives. The Sustainability Directorate of Corficolombiana, in turn, directs, coordinates and integrates initiatives from the different areas and frequently monitors their progress. This Directorate also develops projects aligned with the Corficolombiana Sostenible strategy in partnership with the Corficolombiana Foundation.

Both the Sustainability Directorate and the different areas of the Corporation work with our companies to support them in their management of ESG issues.



## Sustainability Policy

Our Sustainability Policy approved by the Board of Directors is part of the Code of Good Governance and reiterates our commitment to sustainability by defining the objectives, guidelines, system and persons responsible for the Policy. In other additional policies such as Responsible Investment, Sustainable Purchasing, Diversity and Inclusion, Human Rights and Anti-Corruption, aspects that refer to sustainability and that are framed in the processes of the Corporation are defined in greater detail. These policies are available in [www.corficolombiana.com/gobierno-corporativo](http://www.corficolombiana.com/gobierno-corporativo)

### 3.2. Stakeholders

In Corficolombiana we understand that strategically involving our stakeholders is fundamental to build effective and long-term relationships, for this reason in 2021 we continue to create value for them through a close relationship through different channels such as meetings, conversations, forums, workshops and interviews. We organized more than 70 interaction spaces that allowed us to have a constructive and participatory dialogue in order to continue strengthening our relationship.

Stakeholder	How do we create value?	How do we relate?
<b>Shareholders:</b> Owners of Corficolombiana shares	We seek to promote spaces for sharing key aspects of our management and dialogue on the progress of the Corporation in the objectives proposed in its strategy. We promote complete transparency and ethics in decision making with our shareholders.	<ul style="list-style-type: none"> <li>- Annual Assembly</li> <li>- Opinion poll</li> <li>- Management report</li> <li>- Quarterly results conference</li> <li>- Investor day</li> <li>- Participation in issuer events of</li> <li>- Corporate Management Relationship with Investor</li> <li>- Information on the website and social media</li> <li>- Website of the Finance Superintendence</li> <li>- Investors Newsletter – Así Vamos</li> </ul>
<b>Parent:</b> Our majority shareholder. Guides our strategy and establishes guidelines for our activities.	We work together with our Parent Company to align our strategy and policy definition that guides our activities. We maintain permanent dialogue to support decision making, inform on the management of our investments and our sustainability strategy.	<ul style="list-style-type: none"> <li>- Presence in the Boards of Directors and Board Committees</li> <li>- Periodic meetings and reports</li> <li>- Presentations at the Board of Directors of Grupo AVAL.</li> </ul>
<b>Financial Services Clients</b>	We promote relations creating value for our clients through our service portfolio through activities of knowledge generation. We also ensure generating tangible benefits for our clients through a client-focused service	<ul style="list-style-type: none"> <li>- Ethics hotline</li> <li>- Financial consumer ombudsman</li> <li>- Forums and presentations</li> <li>- Loyalty events</li> </ul>

	strategy that ensures a superior experience with us.	
<b>Employees:</b> The human team that works with us and makes our plans, projects and investments management a reality.	<p>We understand our collaborators as the essence of the Corporation and therefore we are concerned for their well-being, development, motivation and training. We create spaces of information and permanent conversation with them. Our organizational culture is based on the commitment to sustainability, reason why we all share that principle and participate in its constant development.</p>	<ul style="list-style-type: none"> <li>- Benefits and well-being</li> <li>- Performance and career plans</li> <li>- Permanent skill development</li> <li>- General and specific training</li> <li>- Courses and discussions on sustainability and climate change</li> <li>- Great Place to Work Poll</li> <li>- Ethics Hotline</li> <li>- Website and social media</li> <li>- News "Our Impact"</li> <li>- Emails</li> <li>- Participation initiatives in sustainability projects</li> <li>- Virtual newsletter "Así Vamos"</li> <li>- Intranet</li> </ul>
<b>Portfolio Investments:</b> Companies in which we invest in different sectors.	<p>We create relationships of trust with our portfolio investments where we contribute to their management and processes. We always look to offer value in this relationship and create opportunities for mutual growth.</p>	<ul style="list-style-type: none"> <li>- Strategic alignment and support in its implementation</li> <li>- Implementation of corporate policies</li> <li>- Vice-presidency of investments</li> <li>- Participation at boards of directors, assemblies and committees</li> <li>- Reports</li> <li>- Sustainability workshops</li> </ul>
<b>Media:</b> Produce information about us and the businesses in which we participate	<p>We understand the importance of media to give visibility to our actions and results and ensure the quality in our accountability to the general public. We create spaces to relate to the media, inform them and provide them skills in matters related to our sector.</p>	<ul style="list-style-type: none"> <li>- Economic research reports</li> <li>- Quarterly report conferences</li> <li>- Media rounds</li> <li>- Investor Day</li> <li>- Website and social media</li> <li>- Press releases and interviews</li> </ul>
<b>Regulatory Entities:</b> Establish rules, controls and reports that	<p>We work with the entities that regulate us looking to participate in the formulation of policies and standards. We continuously inform on our activities and actively participate in the</p>	<ul style="list-style-type: none"> <li>- Periodic reports</li> <li>- Answer to requirements</li> <li>- Meetings and spaces for permanent dialogue in Committees</li> </ul>

govern our activity	activities that the regulatory entities promote.	
<b>Government:</b> State entities in the local, regional and national sphere	We create relationships of mutual cooperation looking to contribute to progress of the different places where our operation has an impact. We participate in the formulation of public policy, we develop joint projects and constantly communicate the impact of our activities.	<ul style="list-style-type: none"> <li>- Periodic reports</li> <li>- Answer to requirements</li> <li>- Meetings and spaces for permanent dialogue</li> </ul>
<b>Suppliers:</b> Direct suppliers of Corficolombiana and its investments	We maintain relationships of trust and mutual benefit with our suppliers, supporting and encouraging in them best practices and sustainability initiatives	<ul style="list-style-type: none"> <li>- Meetings and spaces for dialogue</li> <li>- Projects with groups of suppliers</li> </ul>

### Some outstanding figures about the relationship with our stakeholders:

- Corficolombiana Media Presence Index (MPI): 24.1, 23% more than in 2020.
- We organized 21 events that had a participation of more than 4,000 people. Among these the most outstanding were:
  - Forum: The crossroads of Latin America
  - Forum: Social Bonds: Investment for Development
  - Forum: Economic Outlook 2022 : Turbulence at take-off
- In social media we have grown our presence significantly. Our followers in 2021 increased by 25%.
- Website visits increased by 210%.
- Talks to officials on Climate Change and Sustainability: 450 officials on average in each of the 3 talks.
- Investor day: 64 people.
- 12 broadcasts of the news program “Nuestro Impacto” and 50 publications of the Bulletin Así Vamos.
- We support events in our sectors: Asofondos Congress and Anif Seminars, Treasury Congress and Capital Markets Symposium, Banking Convention and Naturgas Congress, National Infrastructure Congress.
- The MPI of our Economic Research team was 28 points. The team won three awards from the Colombian Stock Exchange and was the best inflation forecaster in the survey conducted by the Central Bank.
- The Economic Research team published the 2021 balance sheet report and economic outlook for 2022 as well as the third edition of the Corporate Finance Report dedicated to financial issues.
- We organize webinars to clients and the general public with topics such as the challenges in the construction sector associated with the higher costs in inputs, the discount of invoices and financial products designed to manage liquidity.
- We started from the area of economic research the coverage of other economies such as Peru.

### 3.3. Material Matters

Our materiality analysis begins with the exercise we developed in 2019 in which we identified material issues based on the GRI, ROBECOSAM, Sustainability Accounting Standards Board standards, The Global Compact UN and FTSE4Good standards. These topics were then evaluated by representatives of the various stakeholders, the Presidency Committee and the Board of Directors, taking into account their impact on the business and the importance for stakeholders. From there, 15 material issues were defined that were then validated with our stakeholders, through individual interviews and focus groups, to refine priorities according to their perception and needs.

In 2021, a review of material matters was carried out taking into account the context of the Corporation and the profound changes generated for our society by the arrival of the Covid 19 pandemic. The exercise resulted in the addition of some material matters and the revision of others. This exercise was validated and evaluated by the directors of the Corporation and by our stakeholders.

Thus, the following are our updated material issues that we have grouped around the pillars of the Corficolombiana Sostenible strategy:

#### 1. We generate and manage efficient and profitable investments

- **Economic performance:** Refers to the economic value generated and distributed by the organization.
- **Market presence:** It is the contribution to the economic development of the local areas or communities in which we operate in terms of GDP growth and local employment generation. It also provides information on the impacts generated by our presence in the market and the management we make of them.
- **Regulatory compliance:** Evidences our commitment to law enforcement. This issue addresses the level of confidence we have in regulatory policy and monetary incentives, such as subsidies and taxes, reliance on a favorable regulatory environment for business competitiveness, and the ability to comply with relevant regulations. It also refers to the implementation and use of technological tools that encourage innovation and support the efficiency of processes.
- **Operational efficiency:** involves the optimization of the resources that are required for a productive, profitable operation that supports the business and the achievement of the objectives proposed in its strategy.
- **Responsible investing:** Refers to the commitment to include environmental, social and governance criteria in our investment decisions and in the management of our current investments
- **Financial management:** Indicates our efficiency in the management of our resources and the generation of financial resources for the proper development of our projects and investments.

#### 2. We ensure ethical and responsible decision-making

- **Ethics, conduct and transparency:** It means having ethical standards and complying with them. Having anti-corruption measures and adhere to fair business practices. Likewise, implement the company's codes of conduct and disseminate relevant information for the market in a timely manner.
- **Risk management:** Risk management is the process of identifying potential risks and adopting appropriate measures for their efficient mitigation.
- **Good governance:** Refers to the implementation of corporate governance systems that ensure efficient and reliable management. It includes the structure, effectiveness and measures of the Board of Directors to ensure alignment with the long-term interests of shareholders. Transparency, governance structure and remuneration are important in this context.

### 3. We promote the well-being of our collaborators

- **Employability:** Includes our approach around job creation and management with respect to hiring, recruitment, retention, as well as the working conditions we provide.
- **Training, education and development:** Refers to the approach with respect to training and improving employee skills, performance evaluations and professional development opportunities. It also includes support programs to facilitate continued employability and the management of the end of professional careers due to retirement or dismissal.
- **Working conditions and human rights:** It is our ability to ensure that our culture and practices are governed by standards of respect for human rights.
- **Health and safety at work:** These are healthy and safe working conditions that involve the promotion of workers' health and the prevention of physical and mental harm.
- **Inclusion, diversity and equal opportunity:** Refers to fair and merit-based treatment and the creation of a diverse and inclusive workforce, reflecting the composition of local talent pools.

### 4. We enhance our environment and the good use of resources

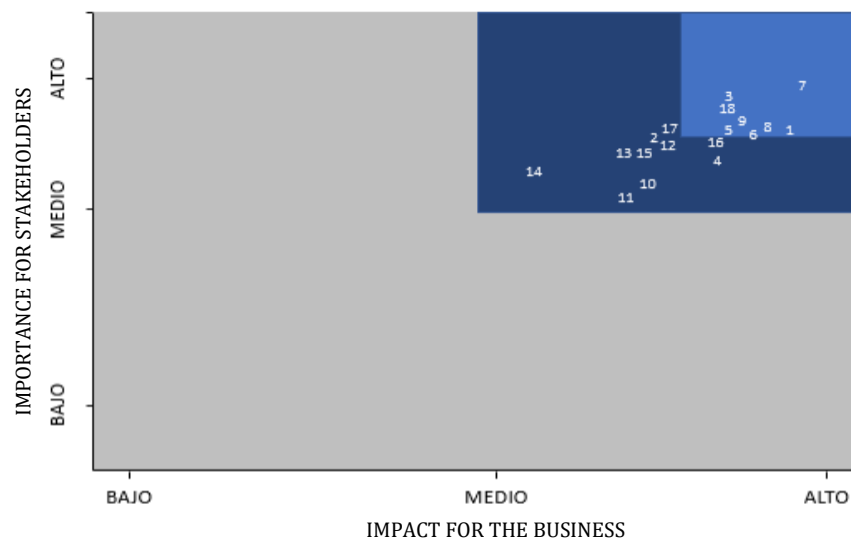
- **Climate change management:** Refers to the way we measure the risks and opportunities generated for our operations by climate change. It determines our commitment to active climate change management that allows us to mitigate our carbon footprint and be active in protection and preservation and compensation activities. It also includes the measurement of the effects of climate change and the definition and implementation of measures for its management and mitigation.
- **Development of local communities:** Local communities are individuals or groups of people who live or work in any area that has been subject to the economic, social or environmental impact of the Corporation's operations.

- **Social and environmental impact:** Refers to our management of projects that generate opportunities for the growth and development of society and contribute to the conservation, restoration and protection of the environment.

## 5. We build relationships of trust with our stakeholders

- **Stakeholder engagement:** The degree to which we communicate or interact with our stakeholders to achieve a desired outcome and improve accountability.

Based on the identification of the material issues, we carried out a prioritization exercise in the year in which the members of Senior Management of Corficolombiana participated and whose results establish those issues that are of greatest relevance for the business and for the stakeholders.



Material Issues for Corficolombiana	
10. Economic Performance	1. Employability
11. Market Presence	2. Training and Education
12. Regulatory Compliance	3. Labor Conditions and HR
13. Operational Efficiency	4. Health and Safety at Work
14. Responsible Investment	5. Inclusion, Diversity and Equal Opportunities
15. Financial Management	6. Development of Local Communities
16. Ethics, Conduct and Transparency	7. Climate Change Management
17. Risk Management	8. Social and Environmental Impact
18. Good Governance	9. Relations with Stakeholders





The objectives and goals of our Corficolombiana Sostenible strategy have been defined in terms of our materiality analysis as detailed in the chapters of this report.

### 3.4. Contribution to the Sustainable Development Goals (SDGs)

The 2030 agenda for sustainable development of the UN integrates 17 Sustainable Development Goals (SDGs) of which we have prioritized 4 in which we consider we make a greater contribution through our activities. In 2021, with the update of our material issues, we again analyzed the SDG

targets and made an adjustment in the prioritized objectives identifying the specific contribution of our activities to the achievement of the SDG targets (See annex XX). The SDGs we prioritize are:



Sustainable Development Goal	Our Contribution to SDG
<b>SDG 8: Decent Work and Economic Growth</b> 	<p>We invest in new projects that boost the economy and employment in the real sector with a wide and regional coverage</p> <p>We create decent and well-paid employment.</p> <p>We invest in labor-intensive sectors such as infrastructure and hospitality.</p> <p>We promote gender equity.</p> <p>We create opportunities that improve the quality of life and access to many places.</p> <p>We encourage access to quality financial services for all people.</p>
<b>SDG 9: Industry, Innovation and Infrastructure</b> 	<p>We are committed to the development of sustainable and inclusive basic infrastructure, such as roads, electricity and gas.</p> <p>We are leaders in the energy and gas sector through our participation in Promigas, company that transports 50% of Colombia's natural gas and serves 37% of the national distribution market. We see our involvement in gas infrastructure as support for the energy security of our countries and for the orderly and efficient energy transition.</p> <p>We are the main investor in road infrastructure in Colombia with eight concessions roads on important routes that connect the country.</p> <p>In our agro-industrial businesses we generate formalization, productivity and innovation in agricultural production. We are leaders in rubber production in Latin America.</p>
<b>SDG 12: Responsible Production and Consumption</b> 	<p>We promote sustainable management and the efficient use of natural resources.</p> <p>We encourage the development and transformation of agribusiness through productive and sustainable projects of rubber, palm, cotton, rice, fish farming and livestock.</p> <p>We seek to significantly reduce the generation of waste through prevention, reduction, recycling and reuse activities.</p> <p>We work with our investments in the adoption of sustainable practices.</p> <p>We promote sustainable tourism that generates employment and protects local culture and products.</p>
<b>SDG 13: Climate Action</b> 	<p>We have made commitments to reducing our carbon emissions to achieve the global goals of reaching carbon neutrality by 2025.</p> <p>We have a Climate Change Strategy for our activity and we include this criterion within the evaluation of our investments and the management of existing ones.</p> <p>We measure the impacts of climate change on our business and define and implement measures for its mitigation</p> <p>We will reduce our CO2 emissions by 40% by 2025.</p> <p>Corficolombiana is carbon neutral.</p>

In 2021 we planted 122,156 trees, protected more than 1,103 species of fauna and flora, about 4,300 hectares and more than 1,100 hydrographic basins.

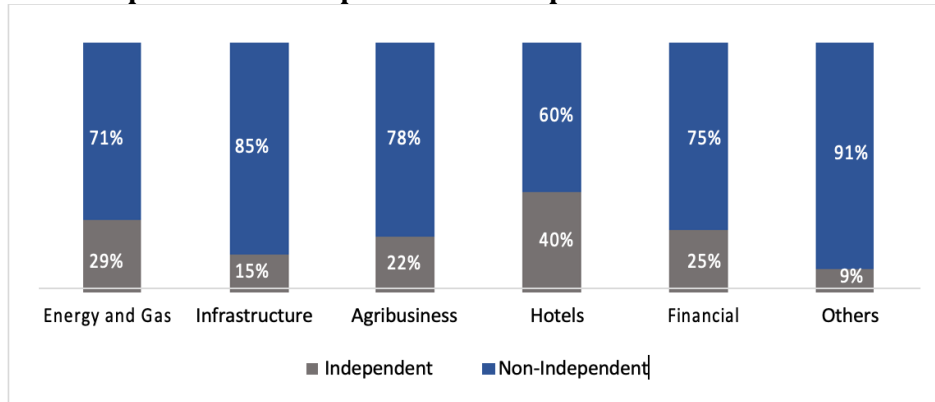
#### 4. Economic and Governance Management

##### 4.1. Figures of our economic and governance management

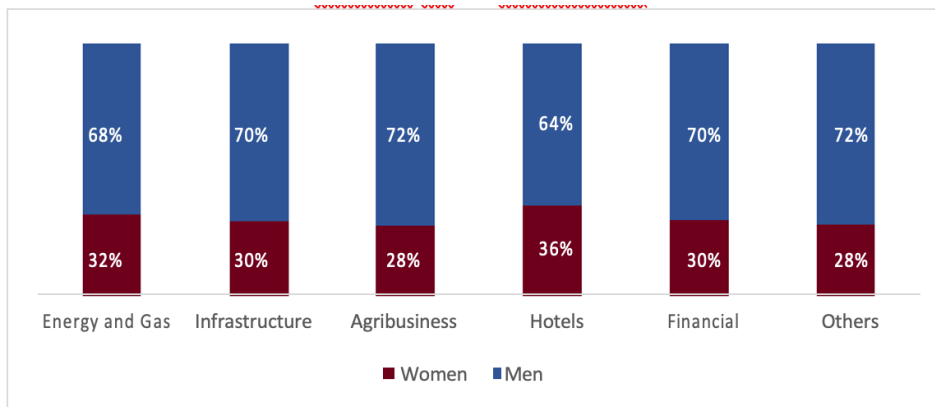
- Consolidated EBITDA: \$4.8tn
- Consolidated net income: \$1.28 tn
- Separate net income: \$1.71tn
- Corficolombiana administrative efficiency indicator: 0.69%
- Number of members of the Corficolombiana Board of Directors: 7 main and 7 alternates
- Independent members: 40%
- Distribution of the board per gender: W 14% M 86%
- Annual Board of Directors Sessions: 25
- Average attendance: 91%
- Average alternate attendance: 86%

We have supported the strengthening of the Boards of Directors of our investments with the presence of independent members, with diversity of gender and implementing practices and processes of good governance for their development. Here are some relevant figures:

##### Independent and Dependent Participation in BD Investments



##### Gender in BD Investments



**DIRECCIÓN GENERAL**

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**Attendance BD Investments**

	Main	Alternate	Total
Energy and Gas	98%	96%	97%
Infrastructure	94%	92%	93%
Agribusiness	89%	79%	84%
Hospitality	97%	100%	99%
Financial	95%	93%	94%

Pillar: We generate and manage  
efficient and profitable investments

Short Term Goal	2025 Goal
<b>Material Issue: Economic performance</b>	
<ul style="list-style-type: none"> <li>Grow in all lines of business</li> <li>Develop thematic financial instruments (a green or social product)</li> </ul>	<ul style="list-style-type: none"> <li>Grow in all lines of business, advance in our internationalization process.</li> </ul>
<b>Material Issue: Market presence</b>	
<ul style="list-style-type: none"> <li>Develop social projects in the communities where we have presence</li> </ul>	<ul style="list-style-type: none"> <li>Consolidate the projects developed by CFC and its investments in the communities through alliances and programs with high social impact</li> </ul>
<b>Material Issue: Regulatory compliance</b>	
<ul style="list-style-type: none"> <li>Implement the Regulatory Compliance Policy in the subsidiaries</li> </ul>	<ul style="list-style-type: none"> <li>Consolidate legal risk management in the Corporation and its subsidiaries, with an inventory of all applicable regulations (normogram).</li> </ul>
<b>Material Issue: Operational Efficiency</b>	
<ul style="list-style-type: none"> <li>Achieve greater administrative and operational efficiency by reducing costs and streamlining processes</li> <li>Invest in technology projects and digitize key processes</li> </ul>	<ul style="list-style-type: none"> <li>Consolidate our management through efficient, innovative and productive processes with the best standards.</li> </ul>
<b>Material Issue: Responsible investment</b>	
<ul style="list-style-type: none"> <li>Commit to international standards in responsible investment</li> <li>Have more than 10% of ESG-themed investments in the private fixed income portfolio.</li> <li>Accompany our investments in the management of their ESG issues</li> </ul>	<ul style="list-style-type: none"> <li>Be leaders in responsible investment in the region and have a PRI rating in the top 25%</li> <li>Monitor the achievement of the goals and objectives of our investments in ESG issues</li> </ul>

Pillar: We ensure an ethical and  
responsible decision-making

Short Term Goal	2025 Goal
<b>Material Issue: Ethics, conduct and transparency</b>	
	<ul style="list-style-type: none"> <li>Measure our transparency policies under international standards</li> </ul>

Material Issue: Risk management	
<ul style="list-style-type: none"> <li>Finalize the implementation of the Regulatory Compliance Policy</li> </ul>	<ul style="list-style-type: none"> <li>Have a robust risk measurement and management system</li> <li>Consolidate our risk management according to the context and the businesses of our subsidiary investments</li> </ul>
Material Issue: Good governance	
<ul style="list-style-type: none"> <li>Promote and disclose our policies on corporate governance, transparency, and integrity</li> <li>Implement the Corporate Governance policy in all investments</li> </ul>	<ul style="list-style-type: none"> <li>Have a diverse Board of Directors that brings together different perspectives and skills.</li> </ul>

#### 4.2. We manage efficient and profitable investments

Our main activity is the management of investments in the five sectors in which we invest: Energy and Gas, Infrastructure, Agribusiness, Hospitality and Financial Sector. In financial and sustainability terms, the business figures in 2021 as detailed in the Management Report are outstanding and demonstrate the Corporation's emphasis on value generation. Our investment strategy has focused on the search for long-term investments, in dynamic sectors of the economy, intensive in capital, with stable and growing incomes that allow a constant cash generation and are fundamental for the generation of employment.

We have prioritized during 2021 the management of environmental, social and governance issues in our investments and, within this objective, one of the main achievements of the year has been the definition, together with our investments, of sustainability models that allow them to make an adequate management of their ESG issues and have concrete goals with monitoring indicators for their achievement.

#### **Relevant events in our commitment to responsible investing:**

**July 2020** - We subscribed the Investment Statement where our Board of Directors publicly assumed the commitment to include ESG parameters in the evaluation and management of investments.

**August 2020** - We adhered to the PRI (Principles of Responsible Investment) as signatories of the 6 principles promoted by this organization supported by the United Nations.

**October 2020** - We publish the Investment Policy. The policy includes guidelines for the integration of ESG aspects in portfolio investments including the analysis of these aspects according to the sector, region and size of each possible investment. It also determines that possible controversies will be identified due to their environmental, social or corporate governance impact, taking into account their materiality and impact, to determine the viability of the investment.

**December 2020** - We designed the first tool of indicators and general ESG criteria

**January 2021 - December 2021** - We generated capacities in our investments to measure their environmental impact. We support our investments in the measurement of its carbon footprint with the support of the Natura Foundation (road concessions, agribusiness, financial subsidiaries) and CECODES (Estelar Hotels)

**June 2021 – December 2021** - All our investments have a Human Rights Declaration and Policy. Likewise, the first evaluation of the implementation of the Human Rights Policy in the Corporation and the Financial Subsidiaries was carried out.

**June 2021 – December 2021** – Our investments defined sustainability models.

**October and November 2021**- We integrate environmental, social and governance variables into the Board's analysis of new projects. Two significant new projects were looked at considering ESG issues.

**September 2021- December 2021** – Corficolombiana's investment team received training in responsible investment through the courses taught by the Candriam Academy specializing in these topics.

**August 2021** – We participated in the Climate Initiative of Investors in Latin America organized by the PRI – Principles of Responsible Investment

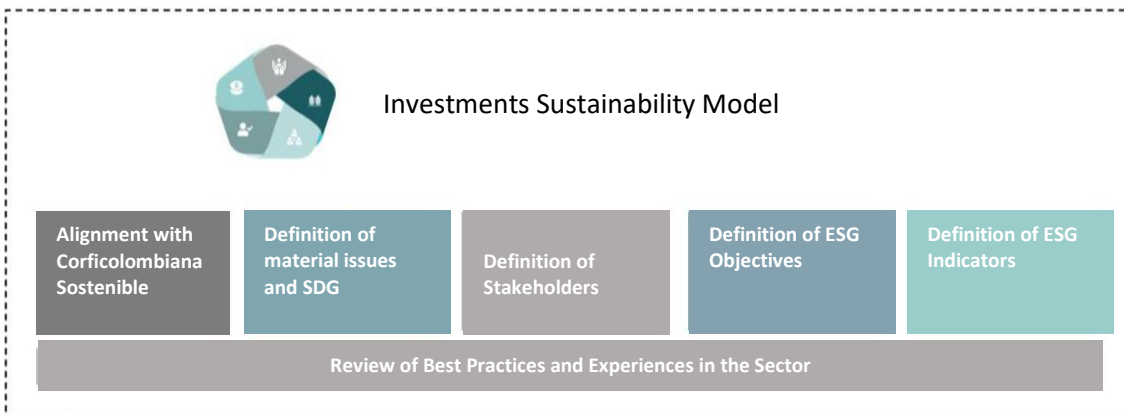
**October 2021** – We issued and placed \$500 billion in social bonds for our Pacific I projects, which goes from Bolombolo to La Primavera, in Antioquia, and Covioriente, between Villavicencio and Yopal, in the departments of Meta and Casanare.

**November 2021** - We subscribed to the declaration of commitment to responsible investment that drives climate action within the framework of COP26.

**December 2021** – We launched the platform for the consolidation of ESG indicators – MERO through which all investments report their indicators on these issues facilitating the monitoring, communication and evaluation of their ESG management.

### Sustainability in our Investments

For more than six months we worked together with our portfolio companies conducting workshops, coaching sessions, meetings, among others to accompany them in their definition of individual sustainability models. 22 of our companies and more than 75 representatives participated.



The determination of the sustainability model of our investments included fundamental activities such as alignment with our Corficolombiana Sostenible strategy, the definition of the stakeholders and material issues of each investment, the establishment of the main SDGs to which each of them contributes, the determination of ESG objectives and targets to 2025 aligning them with the potential of each of the businesses and the definition of the indicators that are used to measure management. Additionally, a referencing exercise was carried out by each sector to identify learnings and good practices.

Corficolombiana is supporting investments in defining the goals for subsequent approval by the Boards of Directors. The purpose is that by 2022 all investments will manage their sustainability and report on the fulfillment of their goals in these areas.

As for our fixed income and foreign currency investments, during 2021 we made investments in green, social and/or sustainable bonds in both private and public debt. Closing the year with 3.04% in sustainable investments of public debt and 9.16% in private debt investments, out of the total portfolio available for sale.

It is important to highlight our participation in the first issues of Green Bonds of the Government of Colombia, through their promotion to counterparties and clients, as market makers that we are. The result was to reach 6.5% participation in the award of all auctions.

Additionally, from the Treasury of the Corporation we are working on the evaluation and definition of the ESG factors that will be incorporated into the analysis, credit approval and risk quotas to counterparties, issuers and clients.

### 4.3 Corporate Governance

#### **Structure of Corporate Governance Bodies**

- **General Shareholders Assembly:** It is the highest governing body composed of the shareholders of Corficolombiana.

- **Board of Directors:** It is the highest administrative body whose main function is to determine the management and development policies of the Corporation, as well as to monitor that the President and the main executives comply and fulfill the aforementioned policies.

- **Board of Directors Committees:** In order to support the fulfillment of its functions, the Board of Directors may create permanent or temporary committees that will function under its direction and dependence, which may be made up of members of the Board of Directors and / or external members. The Board of Directors has three Committees made up exclusively of directors: Audit, Corporate Governance and Sustainability, and Risk.

- **Legal and Executive Representatives:** Direct the implementation of strategic objectives and monitor compliance with the corporate governance framework, relying on internal committees.

- **Corporate Controller or Internal Auditor:** Independently and objectively supervise the effectiveness of internal controls, risk management, corporate governance systems and processes.

Our Corporate Governance practices ensure a transparent, efficient management, committed to the Corficolombiana Sostenible strategy, which firmly believes in ethics and transparency and incorporates principles of good governance as a basis to generate trust and strengthen relationships with our stakeholders.

We have our Code of Good Governance and a Code of Ethics and Conduct as well as a series of policies defined by the Board of Directors that guide, direct and ensure the proper management of fundamental issues for the Corporation. These include such fundamental topics as Anti-Corruption, Responsible Investment, Human Rights, Diversity and Inclusion, Security and Cybersecurity and Tax Affairs, among others.

Among the actions of the Board of Directors in the year, the following stand out:

- Defined the Strategic Plan of the company for the next five years.
- Approved the Diversity and Inclusion Policy and the Sustainable Purchasing Policy.
- Developed the Information Policy that is part of the Code of Good Governance, the Diversity Policy in the Board of Directors, and Regulated the non-face-to-face and mixed meetings of the Board of Directors and its committees.
- In the area of Financial Conglomerate, it approved the amendment to the Institutional Relations Reference Framework.

**Composition and Sessions:** The composition of our Board of Directors reflects our vision of forming a diverse Board that recognizes the importance of having directors with different knowledge, professional skills and gender.

The Ordinary Assembly of March 2021 appointed the Board of Directors for the period 2021-2022. The following appointments were made:

- María Fernanda Suárez Londoño, as independent main member
- Pablo Navas Sanz de Santamaría, as independent alternate member

At the Special Assembly of Ordinary Shareholders held on July 14, 2021, Isabel Cristina Martínez Coral was appointed as a non-independent alternate member.

With these appointments we have strengthened our capabilities in sustainability, environmental and climate change issues, social impact, as well as professional experience in key sectors of our investments.

Corficolombiana summons without exception all its members (main and alternate), understanding that decisions are taken by the principals and alternates in the absence of their principal. During 2021, the Board of Directors met on 25 occasions (22 regular and 3 special sessions) with an attendance of 91% of the main members and 86% of the alternates.

**Assessment:** By 2021, the members of the Board of Directors and their Committees self-assessed their performance and management. The results can be consulted in the Corporate Governance Report on the website [www.corficolombiana.com](http://www.corficolombiana.com)

**Trainings:** During 2021, directors received regulatory and normative training and, in addition, on the Tax Reform and its impact. They also participated in different Corficolombiana events such as the Forum "The Crossroads of Latin America", "Turbulence in Takeoff", and ABC of the Tax Reform and the Fiscal Challenge.

**Remuneration:** The General Shareholders Assembly defines the remuneration of the members of the Board of Directors for their attendance at board meetings or committee meetings. Alternate

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members who attend meetings of the Board of Directors or committees, even if they do not act in place of their respective principal, receive the same remuneration as the main members. This remuneration consists of a fixed fee per board meeting or committee attended. In 2021, members of our Board of Directors received a total remuneration of \$714 million in: Boards of Directors (\$583.3 million), Audit Committee (\$87.2 million), Risk Committee (\$20 million) and Governance Committee (\$23.6 million).

### **Board Committees**

#### Audit Committee:

- Santiago Madriñan De La Torre. *Non-independent member.*
- Luis Carlos Gómez Charria. *Independent member.*
- Álvaro Velásquez Cock. *Non-independent member.*
- Pablo Navas Sanz de Santamaría. *Independent member*

The Audit Committee is a body under the Board of Directors, which provides support in decision-making related to the definition of the strategies and general policies of the Internal Control System (ICS) of the Corporation.

The Committee is composed of four (4) members of the Board of Directors with experience and knowledge of the issues related to the SCI, appointed for periods of one (1) year, and meets at least every three (3) months. In 2021, the Committee's activities included:

- The evaluation and approval of the risk-based audit work plan for the period.
- The analysis of the results of the evaluations carried out by the Internal Audit to the processes of Corficolombiana and of the evaluations carried out with corporate scope to the subsidiary companies, including the action plans determined by the Administration and the level of progress in their implementation, as well as the results of the evaluations carried out by the Statutory Audit, Finance Superintendence and other control entities.
- Monitoring of reports on the interim financial statements and financial statements of the end of 2021, separate and consolidated, with their respective disclosures, emphasizing those related to the financial effects generated by Covid-19 and other contingencies.
- Monitoring the outcome of the evaluation of risk management systems and the relevant changes that were made to them.

After the evaluation of the structure of the Internal Control System of the Corporation, including the Risk Management Systems, the Audit Committee did not identify relevant situations that would attract its attention, determining that as of December 31, 2021, the Internal Control System of the Financial Corporation is adequate.

#### Corporate Governance and Sustainability Committee

- Pablo Navas Sanz de Santamaría. *Independent member*
- Jorge Iván Villegas Montoya. *Non-independent member*
- Santiago Madriñan De La Torre. *Non-independent member*

The Corporate Governance and Sustainability Committee is a body that supports the management of the Board of Directors, whose purpose is the adoption of Corporate Governance measures and the strengthening of the Corficolombiana Sostenible strategy.

This committee is composed of three (3) members of the Board of Directors with experience and knowledge of issues related to corporate governance and sustainability, appointed for periods of one (1) year, and meets at least every three (3) months. In 2021, the Committee's activities included, among others:

- Develop the Diversity Policy for the Board of Directors.
- Adopt a more rigorous definition of independence than that proposed by the Law.
- Establish a differential treatment for the Chairman of the Board of Directors with respect to the other members both in their obligations and in their remuneration, when provided by the Assembly.
- Propose adjustments to the disclosure policy.
- Regulate the joint Boards of Directors.
- Monitor the activities developed within the Corficolombiana Sostenible strategy.
- Worked on the proposal to the Board of Directors for the formation of the Appointment and Compensation Committee, as a support body for the management of the Board. This Committee will ensure the adoption of Human Management policies, aimed at the promotion, compensation and retention of human talent, respect for diversity and inclusion, and the formation of teams of the highest personal, professional and technical qualities.

#### Board of Directors Risk Committee

- Carlos Eduardo Upegui Cuartas. *Non-independent member*
- María Fernanda Suárez Londoño. *Independent member*
- Álvaro Velásquez Cock. *Non-independent member*

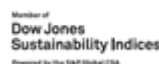
The Committee aims to support the supervision of the Company's risk management. It is made up of three (3) members of the Board of Directors, with experience and knowledge of issues related to risk management, and the periodicity of its meetings is semi-annual. In 2021, the following topics were discussed:

- Review of updates and / or new applicable standards on Risks and Compliance.
- Analysis, approval and monitoring of the Risk Management Framework and the Risk Appetite Statement of the entity.
- Monitoring the degree of implementation of the Governance, Risks and Compliance Model in the Corporation and the companies that make up its investment portfolio.
- Analysis of the Strategic and Emerging Risks of the Corporation.
- Monitoring the progress and results of the Human Rights Risk Assessment in the Corporation and its Investments.
- Progress report on the definition and assessment of climate change risks.

The Annual Corporate Governance Report can be found on our website [www.corficolombiana.com](http://www.corficolombiana.com) as well as the report on the implementation of recommendations of the Country Code in the link <https://www.corficolombiana.com/corporate-governance>

#### **Management Team**

**DIRECCIÓN GENERAL**  
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Our management team is in charge of ensuring an outstanding management that allows us to meet the objectives set out in our Corficolombiana Sostenible strategy. It is made up of professionals with high qualifications, results, knowledge and extensive experience in their respective areas.

- **MARÍA LORENA GUTIÉRREZ BOTERO**  
President
- **JUAN CARLOS PÁEZ AYALA**  
Executive Vice President
- **GUSTAVO RAMÍREZ GALINDO**  
Vice President of Investments
  
- **JULIÁN ALONSO VALENZUELA RAMÍREZ**  
Vice President of Treasury
- **ALEJANDRO SÁNCHEZ VACA**  
Executive Vice President, Investment Banking
- **LEONARDO ERIK CAICEDO CONTRERAS**  
Corporate Vice President of Governance, Risk and Compliance
- **MARCO IZQUIERDO LLANOS**  
Vice President Chief Investment Officer
- **LUIS CARLOS SARMIENTO CARVAJAL**  
Vice President Director of Investment Banking
- **MARCELA ACUÑA RAMÍREZ**  
Legal Manager and General Secretary
- **JOSÉ IGNACIO LÓPEZ GAVIRIA**  
Executive Director of Economic Research
- **PAULA DURÁN FERNÁNDEZ**  
Director of Sustainability
- **ADRIANA DEL PILAR GONZÁLEZ ROMERO**  
Corporate Investor Relations Manager
- **ADRIANA LUCÍA NAVAS PULIDO**  
Director of Public Relations, Communication and Marketing
- **SALIM JASSIR SILVA**  
Corporate Commercial Manager
- **MARÍA ISABEL ORTÍZ AYA**  
Comptroller
- **CLARA INÉS MORALES PATIÑO**  
Compliance Officer

From the management team we have promoted the implementation of the Corficolombiana Sostenible strategy, ensuring an outstanding management in our businesses and seeking that in our internal management we promote the search for efficiencies, the optimization of processes, the control of expenses, the consolidation of functional areas and the introduction of technologies that support our business and support us in the consolidation of our goals.

In 2021 we improved in the administrative efficiency indicator<sup>6</sup> of Corficolombiana reaching 0.69%, an improvement of 3% compared to 2020. This indicator establishes the administrative expenses on

<sup>6</sup> Defined as (Administration Expenses + Taxes)/ Average Asset

equity of the Corporation. Operational efficiency, on the other hand, was 6.89%, indicating the relationship between administrative expenses and taxes on the Corporation's income. As for the adoption of new technologies, during 2021 processes were automated and the digital transformation path that supports our technological strategy was traced.

#### **4.4 Ethics and Transparency**

All our actions are based on a framework of ethics, integrity and transparency. In the Code of Ethics and Conduct we define the behavioral guidelines that guide us and that all our employees must comply with. The Code is communicated to all our new employees and reinforcement and updating trainings are carried out periodically.

### **Training in Ethics and Transparency**

- 406 direct collaborators of Corficolombiana
- 600 direct collaborators of Casa de Bolsa and Fiduciaria Corficolombiana
- Training topics: corporate principles and values, dimensions of ethics, responsibilities to the Code, ethics in financial and banking business, rules of conduct of directors and officers, and conflicts of interest.

Through the Ethics Hotline, any member of the Corporation, client, supplier or third party may communicate, anonymously, fraudulent acts, suspicious activities, anomalous situations or unethical conduct that affect or may affect the interests of Corficolombiana.

The Hotline is managed by the Corporate Comptroller's Office and complaints to the hotline are sent in several ways: email [denuncias.controlinterno@corficolombiana.com](mailto:denuncias.controlinterno@corficolombiana.com), through the intranet and on the Corficolombiana website [www.corficolombiana.com](http://www.corficolombiana.com). These whistleblowing channels were developed in such a way as to guarantee the anonymity of the whistleblower.

During 2021, 25 complaints were received by the Corficolombiana Ethics Hotline and 16 through the Grupo Aval Ethics Hotline channel for a total of 41. Once these complaints were analyzed, it was determined that they did not correspond to events associated with violations of the codes of Ethics and Conduct and/or Good Governance, nor to events of corruption and/or fraud.

The Ethics Committee composed of senior management is responsible for determining corrective, preventive and disciplinary actions that may result from the investigation of complaints in the ethics hotline.

The Committee also monitors situations of conflict of interest that have been disclosed or identified and determines disciplinary sanctions in case of fraud or failure to comply with the provisions of the Anti-Corruption Policy. In 2021, the Committee met three times and analyzed five situations revealed as possible conflicts of interest of collaborators and/or suppliers, on which it was concluded that they did not represent real risks of conflicts of interest or violations of the Code of Ethics and Conduct of Corficolombiana.

### **Anti-Corruption Policy**

We have a zero-tolerance policy against bribery and public and private corruption. The Anti-Corruption Policy establishes actions to prevent corruption, promote transparency in the management of the administration, deter misconduct and encourage the commitment of our stakeholders against corruption. It contains general guidelines regarding gifts and invitations, contracting and purchasing, donations, public and political contributions, sponsorships, acquisitions, mergers and conflicts of interest, among others.

In 2021 we managed control over anti-corruption issues in our affiliates, disseminated the policy to our suppliers and trained 401 officials (100%) of Corficolombiana, and 600 employees (100%) of Casa de Bolsa and Fiduciaria Corficolombiana, in the Anti-Corruption Policy.

In the risks identified in the evaluation process, we also strengthened control activities aimed at identifying, preventing and mitigating corruption events. In 2021, the Forensic Services Division of the KPMG firm reviewed the implementation of the Corporate Instructions to verify compliance with these policies by all our employees, observing a "Formalized" level of implementation, indicating that we satisfactorily comply with the evaluated components.

Taking into account the above, we can affirm that at the end of 2021 there was no event that corresponded to violations related to corruption issues, which is why no disciplinary and/or legal measures were required for employees or business partners related to this type of situation. Corficolombiana has not had any confirmed cases of corruption or bribery against the Corporation in the last three years.

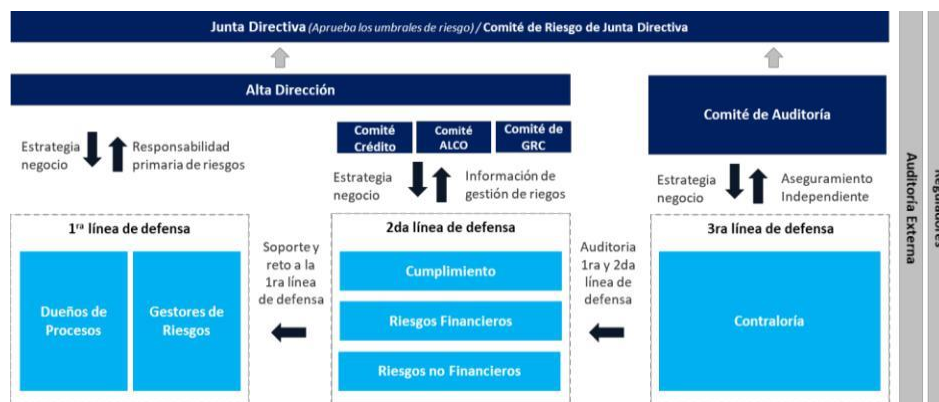
### **Regulatory Compliance**

Since 2021 we have implemented the Regulatory Compliance Policy that regulates the mechanisms to monitor compliance with the rules in general. The Policy is implemented in normograms (inventories of regulatory requirements) of all our processes and businesses that seek to identify gaps and establish action plans to correct them. In 2021 we identified 5,468 regulatory requirements applicable to our entities (1924 from Corficolombiana, 1955 from Fiduciaria Corficolombiana and 1589 from Casa de Bolsa). During the year, we also worked so that 24 of our investments also adopted the Regulatory Compliance Policy.

### **4.5 Risk Management**

Through our risk management strategy we ensure an adequate relationship between profitability and risk in our business lines. The bodies that are responsible for the administration of the different risks are the Board of Directors and its Risk Committee, the Assets and Liabilities Committee (ALCO), the Credit and Counterparty Committee and the Corporate Governance, Risk and Compliance Committee (GRC), and the Corporate Vice Presidency of GRC.

We have three lines of defense with specific roles and responsibilities.



### **Strategic Risk Management**

In 2021 we updated the strategic risks based on the pillars of our Corficolombiana Sostenible strategy. We evaluated 46 risks and identified that the highest concentration of risks is associated

with the Business Result pillar (57%), followed by the Context and Environment pillar (15%), Corporate Governance (13%), Human Talent (13%) and Stakeholders (12%).

When comparing the valuation of strategic risks between 2020 and 2021 there is consistency in the valuation so there are no significant changes.

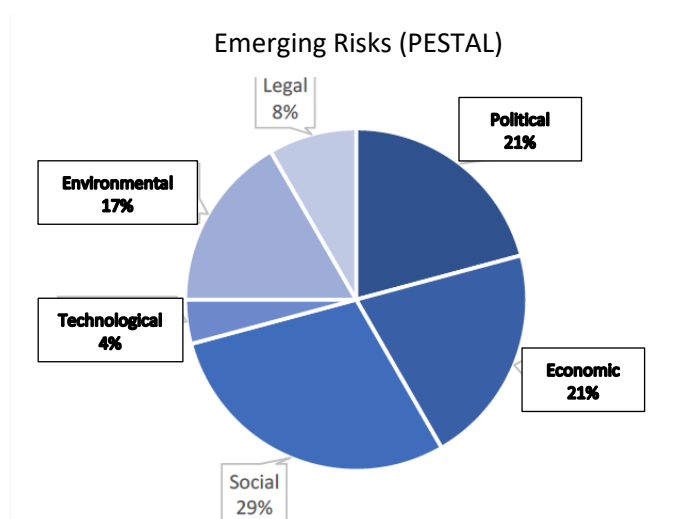
Below is the greatest valuation of the 3 main strategic risks:

Risk	Pillar	Risk Level
1. Impairment of Sovereign Liquidity	Business Result	Extreme
2. Collapse of the economy	Business Result	Extreme
3. Unfavorable market conditions	Business Result	High

The Corporation has implemented various measures for the management of liquidity risk, which are mentioned below, and permanently monitors the economic conditions of the country and the region through the Economic Research Area. Likewise, the Treasury analyzes market conditions for the purposes of the different investment decisions and for the realization of its operations.

### Emerging Risk Management

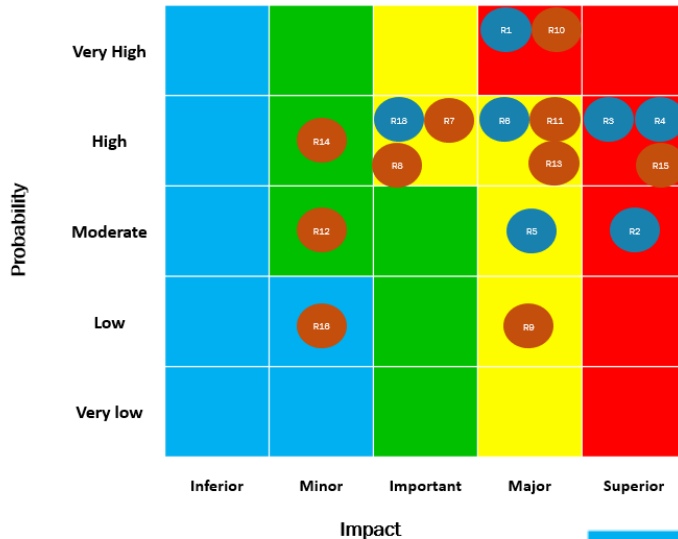
Emerging risks can produce combined effects on several risks and are derived from the following factors (PESTAL): Political, Economic, Social, Technological, Environmental and Legal. For the year 2021, 24 emerging risks were identified segmented as follows:



On the other hand, we advance in the year or in our processes for the identification, management and monitoring of the other risks identified:

**Climate Change:** In 2021 we started the definition of our management strategy in the face of climate change under the framework of the Task Force on Climate – related Financial Disclosure (TCFD), with the accompaniment of a specialized firm, and we identify the main physical and adaptation risks to those who are exposed to our investments and we prioritize them according to their probability of occurrence and impact on the business.

### Climate Risks Corficolombiana (Greater Valuation)



#### Physical Risks

- R1. Increase in incidence and severity of extreme meteorological phenomena (floods, landslides, forest fires, storms, etc.)
- R2. Inability of organizations to adapt to climate change and create physical resilience to extreme meteorological phenomena
- R3. Long-term changes in average temperatures
- R4. Long-term changes in rain patterns
- R5. Soil degradation
- R6. Eater stress
- R7. Increase in sea levels

#### Transition Risks

- R7. Increase in carbon tax prices
- R8. Increase in environmental information disclosure requirements (emissions scope 1, 2 and 3)
- R9. Changes in regulation of existing products and services
- R10. Substitution of existing products and services by products low in carbon emissions
- R11. Transition costs towards low emissions technology
- R12. Changes in public perception of the sector (stigmatization)
- R13. Litigation related to climate change
- R14. Financial incentives for renewable energy technologies
- R15. Decrease of demand of products or services
- R16. Threat to social license to operate
- R17. Increase in raw material costs



**Operational:** In 2021, 87.6% of operational risks were from the management of processes, 4% of internal fraud and the rest is distributed in technological failures, products and business practices, external fraud, legal, labor relations, damages to physical assets and customers. Registration of events during 2021 decreased by 9.1% compared to 2020.

**SOX:** The SOX matrix of the Corporation for 2021 presents 72 risks and 219 controls associated with accounting and consolidation processes, treasury, entity level control, financial obligations, IT controls, deposits, business acquisition and migration. According to the latest report of findings for the evaluation of the design and effectiveness of the Internal Auditor's controls (December 15, 2021), there were no findings.

**Financial:** We measure market, liquidity and credit risks. The market risks assumed in operations are consistent with our business strategy and are embodied in a structure of limits for positions on different instruments according to their strategy, the depth of the markets in which it operates, its impact on the weighting of assets by risk and solvency level, as well as the balance sheet structure.

Liquidity risks are managed in accordance with the model of the Finance Superintendence and the rules of the Liquidity Risk Management System (SARL). To measure it, we calculate weekly Liquidity Risk Indicators (IRL) with terms of 7 and 30 days. As of December 31, 2021, the Liquidity Risk indicators of the 7 Days and 30 Days bands were at levels of 244% and 183% respectively, complying with the regulatory limits and locating appetite zones established in the current Risk Appetite Framework.

Finally, in terms of credit risk, we assign each exposure to a credit risk rating based on a variety of data that segments the level of risk, complementing it with expert judgment. These ratings are defined by using qualitative and quantitative factors that are indicative of increased risk of loss. These factors may vary depending on the nature of the exposure and the type of counterparty.

The Corporation assumes credit risk primarily for treasury activity, which includes interbank operations and counterparty quotas. The principles and rules for the management of credit risk in the Corporation are set out in the Credit Risk Manuals and the evaluation criteria for measuring credit risk follow the main instructions given by the Credit Risk Committee and approved by the Board of Directors.

On the other hand, in the operations of the treasury activity, the approvals of the Treasury Limits are given according to the level of attribution of each of the two instances defined for this purpose (Credit and Counterparty Risk Committee and the Board of Directors). For 2021, limits were approved to 437 counterparties, of which 52.17% correspond to the real sector, 37.07% to the national financial sector, 10.30% to the international financial sector and the surplus distributed in the official sector and natural person. On the other hand, the most representative approval line within the portfolio was term operations (43%), followed by Issuer quota (38%) and finally spot operations (19%).

**Third Parties:** We expanded the assessment of third party risks (TPRM - Third Party Risk Management) to 12 risk dimensions: Financial, Business Continuity, Reputational, Country, Industrial Security, Social, Environmental, Information Security, Service, Bribery and Corruption - ABAC, Regulatory and Risk of Money Laundering and Financing of Terrorism - LA/FT. In 2021 we evaluated 507 third parties. 74.8% "routine" and 25.2% "relevant", so during the year we execute the follow-up and monitoring actions to manage these risks.

**Technological:** In 2021 we made an analysis of the activities of the first and second line of defense and we carried out a division where the responsibilities were established both for the area of Information Security - ITRM (IT Risk Management) - 2LoD and the new Directorate created of Computer Security - 1LoD, in order to have an adequate segregation of functions.

Additionally, we continue to manage the ITRM and Cybersecurity risk matrices and define security guidelines for high and medium impact projects in the Corporation Organization and followed up on the controls and alerts of the different Information Security and Computer Security tools.

**Money Laundering and the Financing of Terrorism:** During 2021 we adjusted the Risk Management System for Money Laundering, the Financing of Terrorism and the Financing of the Proliferation of Weapons of Mass Destruction - SARLAFTFPADM - to strengthen prevention and control mechanisms, and we modified the methodologies for risk assessment and controls in accordance with the guidelines of the Finance Superintendence of Colombia through External Circular 027, issued on September 2, 2020, in order to improve the risk management system through full convergence to the best international standards and practices, the promotion of innovation and financial inclusion through the development and adoption of new technologies. According to the valuations made during 2021 based on the methodologies of SARLAFTFPADM, the entity remains at "low" levels of risk exposure.

**Reputational:** Supported by the Code of Ethics and Conduct, the Anti-Corruption Policy and the SARLAFTFPADM Manual and the areas of Communications and Marketing, and Investor Relations, we monitor reputational risk.

### **Risk Culture**

In order to integrate the risk model into all processes, we have an internal web knowledge platform, whose main objective is to strengthen the risk capacities of all our employees. This program emphasizes the policies, procedures, and scope of application in the activities carried out by our collaborators, in topics such as: Prevention of the Risk of Money Laundering and the Financing of Terrorism, Financial Risk Management, Operational Risk, SOX, Information Security and Anti-Corruption Models. In 2021, the program reached 93% officials of Corficolombiana and financial affiliates.

During 2021, we carried out training activities, with emphasis on policies, procedures and mechanisms on the prevention of the risk of money laundering, financing of terrorism and the financing of the proliferation of weapons of mass destruction; changes to SARLAFTFPADM were also disseminated. In total, we trained 92% of the officials of Corficolombiana and its financial affiliates.

The detailed risk report can be consulted at the following link on our website <https://www.corficolombiana.com/arquitectura-de-control>

### **Financial Consumer Service System (SAC)**

We manage the rights of financial consumers in an environment of attention, respect and service through the Financial Consumer Service System – SAC that includes policies, procedures and methodologies for the identification, evaluation, control and monitoring of vulnerabilities, the provision of information, the adequate attention of requests, complaints, petitions and claims, and mechanisms for the protection of the rights of financial consumers. During 2021, we attended more than 3,200 cases presented by consumers of the entity and trained 400 Corficolombiana officials, and 584 collaborators of our affiliates Casa de Bolsa and Fiduciaria Corficolombiana, in issues associated with general matters of the SAC, attention to financial consumers in a situation of disability and treatment of personal data.

Additionally, we schedule activities to inform financial consumers in an accurate and detailed way about the action plans we adopted for the Covid-19 emergency. During the year, no complaints were received about issues associated with this situation, and customers continued to receive the provision of services, as well as attention to their requests and claims.

Regarding the protection of personal data in 2021 we updated the data processing clause for customers, employees, suppliers and third parties, promoting the possibility that the owner of personal data can limit the authorization according to their rights. We also update the general policies for the treatment of information and information security and the issuance of internal guidelines and procedures for the processing of personal data. We trained all entity officials in this matter and strengthened and promoted the use of channels for the attention of queries, claims, authorizations. In 2021 we did not receive complaints or claims for violations of privacy or loss of customer data, nor was there knowledge about actions by regulatory entities for breaches of the applicable regulations in this regard.

## 5. Environmental Management

As part of our commitment to Responsible Investment, the Environmental component is a priority. Our investments and those of our companies are intimately linked to the environment. Our roads, our gas pipelines, our agricultural hectares are developed in natural environments that we protect, take care of for these and the next generations. Likewise, as part of this vision we have defined our climate change strategy that seeks on the one hand to drastically reduce greenhouse gas emissions and establish, measure and mitigate the risks to which our businesses are exposed due to the effect of climate change.

This decarbonization effort will transform every sector and every company and we will lead that change. This should lead us to include environmental criteria and the effects of climate change in the evaluation of our new investments and in the management of existing ones.

Below we present our progress on these issues during 2021

### 5.1 Figures of our environmental management

- In 2021 we made Corficolombiana carbon neutral
- We planted our first Corficolombiana Forest: 2,500 trees in the name of all our collaborators and their families
- Carbon Credits: we sold 182,473 tons of CO2

#### CO2 Emissions

Table CO2 Emissions (tons) Sector	2019		2020		2021	
	Scope 1	Scope 2	Scope 1	Scope 2	Scope 1	Scope 2
Corficolombiana	77	273	74	256	76	200
Energy and Gas	238,777	1,135	208,335	1,086	199,653	8,714
Infrastructure	43,697	2,541	55,268	3,945	69,106	4,073
Agribusiness	68,559	454	67,109	458	58,168	764
Hospitality	5,386	4,470	2,362	3,721	7,385	6,206
Financial	34	60	36	47	36	41
Others	41	0	33	9	23	0
<b>TOTAL</b>	<b>356,571</b>	<b>8,933</b>	<b>333,217</b>	<b>9,522</b>	<b>334,447</b>	<b>19,998</b>

#### Protected Species

	Energy and Gas	Agribusiness	Infrastructure	Total
Fauna not in danger	51	169	262	482
Flora not in danger	155	356	21	532
Fauna in danger	5	62	0	67
Flora in danger	4	17	1	22
<b>Total Protected Species</b>	<b>215</b>	<b>604</b>	<b>284</b>	<b>1,103</b>

### Protected and Assisted Dry and Hydrographic Hectares and Areas

Hectares	Energy and Gas	Agribusiness	Infraestructure	Total
Protected Areas	-	23	7	30
Protected Hectares	-	3,476	914	4,390
Assisted Areas	-	8	24	32
Assisted Hectares	866	122	40	1,028

### Persons trained in environmental issues

	No. Persons Trained
Corficolombiana	354
Energy and Gas	6,774
Infraestructure	10,362
Agribusiness	1,669
Hospitality	3,139
Others	181
<b>Total</b>	<b>22,479</b>

- *Total energy consumption by sector Mwh*

	Renewable and Non-Renewable Energy
Corficolombiana	1,206
Energy and Gas	109,887
Infraestructure	198,141
Agribusiness	7,568
Hospitality	27,581
Financial	247
Others	4,227
<b>Total general</b>	<b>348,857</b>

- *Total water consumption by sector m3*

	Aqueduct	Underground	Total general
Corficolombiana	8,051		8,051
Energy and Gas	50,829	1,130	51,959
Infraestructure	10,218	78,247	88,465
Agribusiness		199,258	199,258
Hospitality	430,137	6,131	436,268
Financial	588		588
Others	2,714		2,714
<b>Total general</b>	<b>502,537</b>	<b>284,765</b>	<b>787,302</b>

We have decided to lead our environmental management, committing ourselves to move towards a world with zero net emissions. In addition, we believe that this opens up new possibilities and business opportunities and we are willing to look for them.

We define our organizational boundaries, determining that the approach under which we report our greenhouse gas (GHG) emissions is a financial control. We are guided by the premise that the information we report must be relevant, complete, consistent, accurate and transparent, so during the year, with the accompaniment of the Natura Foundation and CECODES, we carry out an exercise to quantify the Carbon Footprint of Corficolombiana and our investments. The exercise was developed according to the methodological guidelines described in the "Corporate Accounting and Reporting Standard – GHG PROTOCOL", developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

We also decided to start with a commitment decided by Corficolombiana holding with carbon neutrality so during the year, in addition to measuring our GHG emissions, we implemented a mitigation plan that included the reduction of physical spaces, the change of lightbulbs, the disposal of assets and the implementation of a sustainable mobility plan. We also carried out the voluntary offset of the emissions we generate during 2020, through the voluntary acquisition of 336 Carbon certificates from the SKCARBONO project that has forest plantations of Eucalyptus sp. and Pinussp in 6 departments (Caldas, Cauca, Quindío, Risaralda, Tolima and Valle Del Cauca) of the country.

In 2022 we will set emission reduction targets in the Energy and Gas, Infrastructure, Agribusiness and Hospitality sectors.

**Pillar: We maximize our environment  
and the proper use of resources**

Short Term Goal	2025 Goal
<b>Material Issue: Climate change management</b>	
<ul style="list-style-type: none"> <li>• Define a strategy for the management of climate change in accordance with TCFD</li> <li>• Identify strategies, risks and opportunities in our subsidiaries regarding climate change.</li> <li>• All of our subsidiaries measure their carbon footprint under a recognized methodology</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce our CO2 emissions in a 45% aligned with our goal of reaching carbon neutrality in 2050.</li> <li>• To be recognized for our active management of climate change with concrete results in mitigation and adaptation and in the management of opportunities for our businesses.</li> </ul>
<b>Material Issue: Social and environmental impact</b>	
<ul style="list-style-type: none"> <li>• Plant the first Corficolombiana forest</li> <li>• Develop awareness campaigns for all our collaborators on environmental topics</li> <li>• Develop corporate volunteer programs on environmental issues.</li> </ul>	<ul style="list-style-type: none"> <li>• Develop high-impact projects in voluntary conservation such as planting trees, protecting ecosystems and biodiversity, among others.</li> </ul>

## 5.2. We protect and conserve our environment

Throughout our history, and by the nature of our investments, we have ensured the development of hundreds of activities for the protection and conservation of the environment. During 2021, in total we protected more than 1,103 species of fauna and flora, about 4,300 hectares and more than 1,100 watersheds. In addition, our planting of trees amounted to 122,156 where we also highlight the planting of our first Corficolombiana Forest.

Our investments continued with their determined contribution to the environment. Promigas implemented strategies to minimize, restore and offset for its intervention in the areas of influence of its operation. Among its actions was the planting of more than 38,200 trees and the maintenance of about 42,000 trees, the publication of about 18,000 data on biodiversity of fauna and flora, all within the strategy of data publication with SIB Colombia. It also obtained the Icontec ISO14001:2015 certification.

In addition, during the year, Promigas and its companies carried out three environmental projects aimed at supplying communities with water and clean energy services and sustainable planting alternatives. Among the projects were fixed windmills, deep wells and infrastructure for the clean management of water and energy. Also, training was carried out for the proper management of the land and increase of productivity. For this, a total of \$12,500 million was invested that impacted 10 communities and 5,700 people.

In our agribusiness investments we concentrate on the protection and rehabilitation and conservation of the areas of influence. Through different campaigns we planted 2,000 trees, completing more than 1.6 million trees since 2018. This planting has allowed us to recover our soils and water sources, as well as establish areas certified as sinks of Greenhouse Gases (GHG) that allowed in 2021 the capture of 61,081 Ton of CO<sub>2</sub> and have allowed to certify 686,777 Ton of CO<sub>2</sub>e captured since 2019.

In the same way, more than 400 hectares have been established as areas with high conservation value, where it is sought to maintain biological diversity and provide protection and control services to ecosystems. Additionally, through comprehensive waste management and water management plans, the adequate reduction, minimization, reuse and disposal of 314 tons of waste generated was guaranteed. On the other hand, through environmental training, about 1,700 employees were trained and raised awareness in key aspects such as the efficient use and saving of natural resources. From these formations, initiatives were developed such as the creation of an apiary, establishment of nurseries, orchards, vermicompost, wildlife crossings, ecological corridors and registration of wildlife sightings, among others.

Our infrastructure projects also reaffirmed their commitment to the environment through activities such as the planting of nearly 70,000 trees and the protection of 714 hectares, thus protecting important species of fauna in danger of extinction such as the yellow-bellied spider monkey, or in a vulnerable state such as the rain frog, and flora species such as bromeliads, orchids, oil palm, tree fern, among others.

They highlight programs that add environmental value such as the phototrap developed by the Pacifico 1 project, which through 15 cameras strategically located in the area, seeks to obtain information on biodiversity and the behavior of wild organisms in a non-invasive way. Through this instrument, several species of felines have been identified in the area of influence of the project.

**DIRECCIÓN GENERAL**

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Dow Jones  
Sustainability Indices  
Powered by the S&P Global CSB



In Hoteles Estelar we are certified in the standards NTS-TS 002 Sustainability and NTC 5133 Environmental labels type 1 "Colombian environmental seal". In addition, we participate in the ecological restoration project of the Alto Andino forest of the Bioparque Foundation, located in Cota, Cundinamarca; there was an awareness on sustainable use of our natural resources, conservation of Colombian biodiversity and animal welfare. We also planted 5,956 trees (junipers, oaks, alders, cajetos, myrtles, ciroso and garrochos, eugenias, laurel, lemongrass, among others) and donated coffee walnut tree seeds to the soldiers of the Sixth Brigade of the National Army in Ibagué, Tolima so that 10,000 trees can germinate.

At the end of the year in all the rooms of our hotels, we began to place new amenities with dispenser that will eliminate individual plastic packaging. Additionally, the substitution of plastic material in the categories of supplies, packaging and beverage containers, including those used for home delivery, was achieved.

Regarding waste management, we complied with the standard for the disposal of used vegetable oil with companies that guarantee treatment as a raw material for the production of biodiesel and agreements with associations of recyclers were continued.

Continuing with our commitment to the use of renewable energies, the Intercontinental Hotel in Cali signed a power purchase agreement with Gases de Occidente, and began the installation of photovoltaic panels to generate approximately 22,000 Kwh /month of the total energy it consumes.

### 5.3 Our approach to climate change

We have defined our climate change management strategy, based on the recommendations of the Financial Sector Task Force on Climate-Related Financial Statements (TCFD) of the Financial Stability Board (FSB). The working group designed a set of recommendations that help financial market participants better understand the climate-related risks and opportunities that are based on the reporting of: climate risks and opportunities, climate change strategy, metrics and objectives and governance model of these issues in the organization.

**Climate Risks.** Within the exercise we mapped climate risks together with our companies based on the risks identified by standards and other organizations in the industry. In total, we identified a total of 18 physical and transition climate risks to which our companies are exposed.

Our analysis was based on the objectives of the Paris Agreement that suppose to achieve net zero CO2 emissions by mid-century and an analysis of scenarios in case of not achieving that goal. We also consider the exposure of Corficolombiana and its companies to climate change generated by their presence in various areas of the country. Based on the analysis of vulnerability to climate change carried out by IDEAM, we also identify where our greatest risks are based on the concept that by 2071-2100 the temperature could increase between 2.3°C – 2.7°C, about 27% of the national territory would present decreases in precipitation between 10% and 30% and 14% of the territory would have an increase in precipitation between 10% and 30%.

Based on the above, we build climate risk maps for our sectors and for Corficolombiana in which we identify the risks with the greatest impact on the business and their probability of occurrence. We will now focus on quantifying such risks.

**Opportunities.** As part of the strategy we identified opportunities for Corficolombiana and its companies in terms of efficiency (reduction of operating costs, energy efficiency, management of materials, water and waste), new energy sources using low-emission alternatives, innovation and development of products and services, search for opportunities in markets or types of assets (such as, for example, green bonds), among others.

We carried out an analysis that allowed us to classify the companies in our sectors according to the level of maturity and their response capacity both in terms of adaptation to climate change, and in relation to the measures used in mitigation of GHG emissions.

**Strategy.** We have mitigation and adaptation plans against climate change that include initiatives such as: decarbonizing the operations of our companies, adopting criteria associated with climate change within the investment decision-making process, evaluating climate investments and determining for each company the type of adaptation according to its risk and management capacity.

Our strategy includes a detailed plan of action for the next three years in order to move forward, monitor and meet our goals and objectives.

**Objectives.** Our objectives for the management of climate change include:

- Reduce our scope 1 and 2 CO<sub>2</sub> emissions by 45% by 2025, in line with the country's bet (and financial sector strategy) that Colombia will achieve carbon neutrality by 2050.
- Advance our Scope 3 GHG measurement
- Evaluate the generation of electricity from non-conventional renewable energy sources
- Implement our mitigation and adaptation plan and design a compensation plan
- Measure the "Value at risk" – VAR applied to the risks associated with climate change

It is also important to note that in the year we reinforced our commitment to environmental management through our adherence to the Green Protocol of Asobancaria, an agreement between the National Government and the financial sector to join efforts around sustainable development and environmental protection. We were also signatories of the Declaration of Commitment to Responsible Investing that Drives Climate Action at COP26 promoted by the Principles of Responsible Investment – PRI. In the Declaration we reiterate our commitment to responsible investment and the management of climate change, in line with the fulfillment of the sustainable development goals, involving our entire value chain.

**Governance.** Our governance model for climate issues is based on the current model of management and monitoring of the Corficolombiana Sustainable strategy. In this way, the Board of Directors and its committees are responsible for the formulation, direction and supervision of the comprehensive climate change strategy, while Senior Management is responsible for ensuring that the strategy is properly executed at all levels of the organization. Within the administration there are instances such as the Presidency Committee that implement and monitor initiatives related to the climate strategy in each of the companies in the sectors where we have investments. In particular, the Vice Presidency of Investments, the Vice Presidency of Governance, Risk and Compliance and the Directorate of Sustainability. Each affiliate of the group applies the risk cycle and generates a map that includes identification, evaluation and administration of the measures.

## 6. Social Management

### 6.1. Relevant figures of our social management \*

- Total jobs: 31,252

	Total
<b>Corficolombiana</b>	<b>520</b>
Financial	625
Energy and Gas	11,992
Infrastructure	13,326
Agribusiness	2,409
Hospitality	2,124
Others	256
<b>Total</b>	<b>31,252</b>

- Jobs by gender \*Does not include outsourcing.

Investments - Women: 24% Men: 76%

Corficolombiana and subsidiaries – Direct: 1,006 Men: 42% Women: 58%

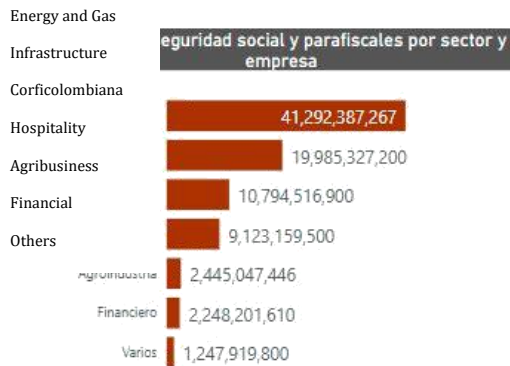
	Direct	Men	Women	% Men	% Women
<b>Corficolombiana</b>	<b>406</b>	<b>188</b>	<b>218</b>	<b>46%</b>	<b>54%</b>
Financial	600	239	361	40%	60%
<b>Total</b>	<b>1,006</b>	<b>427</b>	<b>579</b>	<b>42%</b>	<b>58%</b>
Energy and Gas	2,772	1,542	1,230	56%	44%
Infrastructure	7,598	6,609	989	87%	13%
Agribusiness	2,409	1,953	456	81%	19%
Hospitality	2,124	1,216	908	57%	43%
Others	256	171	85	67%	33%
<b>Total</b>	<b>15,159</b>	<b>11,491</b>	<b>3,668</b>	<b>76%</b>	<b>24%</b>

- Jobs by area

	Operation	Administrative	Commercial	Treasury	Total
<b>Corficolombiana</b>	<b>241</b>	<b>159</b>	<b>58</b>	<b>62</b>	<b>520</b>
Energy and Gas	8,770	2,387	800	35	11,992
Infrastructure	11,930	1,383	3	10	13,326
Agribusiness	1,981	410	16	2	2,409
Hospitality	1,690	338	93	3	2,124
Financial	112	317	181	15	625
Others	159	77	18	2	256
<b>Total</b>	<b>24,883</b>	<b>5,071</b>	<b>1,169</b>	<b>129</b>	<b>31,252</b>

- Social security and parafiscal contributions: 87,137 million

Social security and parafiscal contributions per sector and company



- Turnover rate

	2020	2021
Corficolombiana	16.1%	15.8%
Fiduciaria	20.4%	17.4%
Casa de Bolsa	21.5%	16.3%

- Zero fatalities due to labor causes in Corficolombiana and all its investments
- Number of people trained in OSH (direct employees): 12,390
- Number of suppliers and contractors: 15,874
- Total amount of purchases from suppliers: \$7.61 trillion
- All our investments have social programs
- Invested more than \$73.3 billion in social programs
- We benefited 431,026 people and 239 communities with our social programs
- \$500 billion placed in Social Bonds for our infrastructure projects
- Ranked 32nd in the country in the Private Social Investment Index

Pillar: We promote the well-being of our partners	
Short-Term Goal	2025 Goal
Material Issue: Employability	

<ul style="list-style-type: none"> <li>Design and implement new working modes</li> </ul>	<ul style="list-style-type: none"> <li>be recognized as one of top 20 best companies to work in Colombia</li> </ul>
Material Issue: Training, education and development	
<ul style="list-style-type: none"> <li>Have a program for potential profiles and successors.</li> <li>Have career plans and skills development and performance evaluation for all collaborators.</li> </ul>	<ul style="list-style-type: none"> <li>Implement the strategy for talent retention and knowledge in critical areas of the business</li> </ul>
Material Issue: Labor conditions and Human Rights	
<ul style="list-style-type: none"> <li>Accompany our investments so that they have high standards in human management, Human rights and working conditions</li> </ul>	
<ul style="list-style-type: none"> <li>Implement the Policy of Human Rights in our subsidiaries</li> </ul>	
Material Issue: Health and safety at work	
<ul style="list-style-type: none"> <li>Achieve 100% implementation of the SSST.</li> </ul>	<ul style="list-style-type: none"> <li>Accompany our subsidiaries in their SSST plans.</li> </ul>
Material Issue: Inclusion, diversity and equality of opportunities	
<ul style="list-style-type: none"> <li>Implement the strategy of Diversity and Inclusion of the Corporation</li> </ul>	
Pilar: We potentiate our environment and the good use of resources	
Material Issue: Development of local communities	
	<ul style="list-style-type: none"> <li>Have relevant projects that achieve the strengthening of communities where we have presence</li> </ul>
Material Issue: Social and environmental impact	
<ul style="list-style-type: none"> <li>Carry out a high-end social project, productive and sustainable in partnership with a subsidiary.</li> </ul>	<ul style="list-style-type: none"> <li>Consolidate the Fundación Corficolombiana as a leading organization in the country for social contribution.</li> </ul>
Pilar: We build relationships of trust with our stakeholders	
Material Issue: Relationship with stakeholders	
<ul style="list-style-type: none"> <li>Meet at least 90% in the IR Recognition Certification</li> <li>Keep our share classified as highly marketable.</li> <li>Strengthen our presence in national and regional media.</li> </ul>	<ul style="list-style-type: none"> <li>Obtain National and International recognitions for our practices in ESG topics.</li> <li>Get our NPS Net ProScore to a minimum of 70%</li> <li>Be recognized by our suppliers as a company that contributes to its sustainability.</li> </ul>

## 6.2 Our priority: our people<sup>7</sup>

Our management is the result of a committed, highly qualified, and capable team that demonstrates every day the values of Corficolombiana: transparency, sustainability, innovation, excellence, respect, teamwork and leadership. Our priority is to inspire our people, support them in their integral development by offering them opportunities for professional and personal growth, and generating a teamwork environment, focused on the achievement of objectives and mutual respect. We strengthen their technical and functional skills and deliver the necessary tools for them to develop as leaders in their areas, generating opportunities for our business.

Our sustainability strategy includes as one of its main axes, promoting the well-being of our employees. Consequently, our organizational culture is oriented to the development of capacities and skills of the different work teams, allowing a better understanding of the business, the use of market opportunities and the well-being of employees and their families.

Thus we generate value for our stakeholders and contribute to the construction of a better society.

### **We develop our talent**

- Total hours of training: 2,548
- Investment in training: \$ 1.914 billion pesos.

In 2021 we carried out more than 203 trainings aimed at strengthening the technical and functional skills of our employees. We consolidated our virtual campus with courses and trainings on key topics for the best performance on different fronts and redesigned in its entirety the normative trainings, using a microlearning strategy, which ensures the effectiveness and dynamism in these issues. We published 12 regulatory trainings related to Financial Risks, ABAC Anti-Corruption Policy, Code of Ethics and Conduct, SAC, SARO, SOX, Business Continuity, SARLAFT, Information Security, FATCA & CRS, Regulatory Compliance and Occupational Health and Safety. We also created virtual courses on topics such as creative thinking, high-impact presentations and financial Excel.

We continue to strengthen the leadership skills of our employees, including 152 leaders at strategic and tactical levels in special mentoring and coaching programs, where they learn best practices in team management and soft skills development.

Through our Corporate University we strengthened the skills of our employees in different areas. In 2021 we graduated our first class from the School of Leadership, within a program that we carried out in conjunction with the Javeriana University of Cali, and launched 2 new schools: Finance, together with Universidad de los Andes and Business Administration in alliance with the Colegio de Estudios Superiores de Administración CESA. A total of 94 employees from the different business areas benefited from the programs of the Corficolombiana Corporate University in 2021.

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<sup>7</sup> Information about Corficolombiana and its financial affiliates

**Career Plans:** Our employees today have a complete program of career plans, which not only indicates the possible routes of horizontal or vertical growth of employees, but also provides important information on the skills and knowledge required for each position, and a guide development of competencies that allows them to achieve their objectives more effectively.

**Talent maps and identification of high potentials:** In 2021 we valued 114 leaders of the organization through competency tests and calibration meetings, which allowed us to build the talent maps for the different areas of the organization analyzing individually, the current level and the potential contribution of the different collaborators, as well as their level of readiness to be successors to key positions. We identify talent with high potential in order to promote their development and ensure their retention, through special mentoring programs.

**Performance Evaluation and Goal Setting:** In 2021 all our employees completed the performance evaluation process. This process begins with the definition of performance objectives of the following year between the leader and the collaborator and ends with the consolidation of the results and analysis of the same which will be taken as a starting point for the definition of promotions, career plans and training needs for following year.

### **We attract and retain top talent**

In 2021 we designed an employer brand strategy in order to build a more solid and truthful image of Corficolombiana in the market. The strategy designed includes aspects such as internal and external communication; the management of social media and professionals to attract talent; the strengthening of the brand in the target; development programs within the company; working with university students and strengthening the organizational culture.

**Remuneration:** The remuneration of our employees is fair, equitable and corresponds not only to the level of contribution of the officials, but to the capacities, experience, skills, qualities and contribution to the organization of our people. It is competitive in the job market and allows us to attract the best talent. We have the permanent support of a consulting firm that specializes in the study of market salaries for the different positions in such a way that our salaries remain competitive.

The remuneration of the President and the positions of senior management in Corficolombiana, encourages the achievement of organizational objectives and the increasing contribution to the construction of a healthy and stable work environment, based on corporate values. In addition to the fixed salary, there is a variable remuneration subject to the fulfillment of the business goals, established through the Balanced Scorecard methodology and based on 4 fundamental pillars: financial health and business growth, operational efficiency, customer health and talent well-being. In 2021 the corporation achieved its objectives on the different fronts, which ensures the payment of this variable remuneration for the entire management team.

**Benefits:** We offer our employees a very competitive scheme of economic and emotional benefits. We have a line of loans to employees for home purchase, education, vehicle purchase, preventive and executive medical check-up, domestic calamity, among others. In 2021 we approved loans worth close to \$3 billion, where the largest percentage (87%) was allocated to housing loans followed by education loans, thus fulfilling our commitment to improve the quality of life of our employees and their families.

We also have a mutual fund where the Corporation contributes 50% of the savings to each of the officials who belong to the fund. In 2021 we benefited 249 people worth close to \$1 billion. We also support our collaborators in issues such as: subsidy to prepaid medical insurance, with an investment of more than \$520 million; life insurance, with an investment of more than \$550 million; accident insurance, with an investment of about \$150 million, vacation bonus, additional service bonus, seniority bonus and an employee fund with multiple benefits for the purchase of goods and services.

We have a number of emotional benefits that allow our employees to achieve a better balance between their personal life and work and devote more time to their families. These benefits include 5 hours off per month, flexible hours, mixed work schemes and teleworking.

### **We ensure the well-being of our employees**

We are clear that our priority must be to ensure the well-being of our employees. To do this, in addition to everything mentioned above, in 2021 we invested more than \$1.1 billion in different activities, which allowed us to be closer to our collaborators and increase their commitment. We continue with our initiative "*We are with you*", to accompany officials during this second year of the pandemic, developing activities such as "*Thursday of conversations that enrich*" and promoting topics such as: happiness, difficulty-proof mentality, productivity, efficient relationships, among others, which provided tools to face the new reality.

At the end of 2021, we carried out our Alma Awards recognition activity in its second edition, rewarding the officials who are referents of our organizational competencies model: innovation, teamwork, managerial courage, result-orientation, development of others, strategic vision and delegation. We also built our corporate social network "*Conectados*", where through different activities and contests we maintained permanent communication with our stakeholders.

#### **Occupational Health and Safety:**

- Absenteeism rate: 2%
- Zero occupational diseases or fatalities
- Investment in OSH programs: \$250 million
- Brigade members: 25 nationwide

We strengthened our occupational health and safety strategy by implementing 100% our program for the health of workers and the prevention of physical and emotional harm. With these activities we managed to reduce our absenteeism rate to 2%, 3 points below the goal set for 2021; the number of occupational accidents that was reduced to 2 minor accidents without serious consequences and the number of occupational diseases or fatalities that was 0.

In 2021, we continued to strengthen our prevention strategy against Covid-19, through the implementation of biosecurity protocols for the safe return to the office, the constant monitoring and follow-up of suspected and confirmed cases of Covid-19, supported by our nursing and medical team, accompanying 311 officials and their families. Within the framework of prevention and supporting the National Government's "Companies for Vaccination" program, we acquired 324 vaccines, facilitating the immunization process of our officials and actively supporting the safe return to the office nationwide.

Throughout the year we maintained active our strategy "*I am Healthy*" through which we encourage the physical activity of officials and their families through virtual group classes of Fulbox, Zumba and Yoga, among others. We held the days of periodic occupational medical examinations in the virtual modality and the executive medical check-ups for senior executives. We implemented programs and talks on nutrition, relaxation and sleep hygiene. All these activities framed in the prevention of diseases and occupational injuries. At the end of the year, we also developed the measurement of Psychosocial Risk, supervising the mental health of our employees and promoting the good use of practices for the management of stress and anxiety.

### **We promote inclusion, diversity and equal opportunities**

We understand that the world is diverse and changing. We recognize the importance of promoting inclusion and diversity in society as strategic elements that add value to the organizational culture, encourage innovation, well-being and productivity. We believe that a diverse and inclusive culture allows us to contribute to a society that creates opportunities for all, without racial differences, ethnicities, genders, ages, religions, disabilities and sexual orientations, nationality, education, personalities, skills, experiences and knowledge bases. We promote collaborative environments with equal opportunities for all.

In 2021 our Board of Directors approved the Inclusion and Diversity Policy that sets out our principles to ensure equal opportunities and the non-discriminatory, fair and impartial treatment of people in all areas of our Corporation. These principles are:

- ✓ Equal treatment, respect for human rights and dignity for people in their diversity.
- ✓ Environments free of discrimination and equal opportunities
- ✓ Accessibility and progressive reduction of physical, attitudinal and communication barriers.
- ✓ Balance between work, personal and family life of employees
- ✓ Inclusive access

### **6.3. We promote respect for Human Rights**

At Corficolombiana we recognize the human being as the central axis of our activities. We have a Human Rights Policy approved by the Board of Directors in 2020 that establishes 12 principles that frame our actions and promote respect for the human rights of our employees, customers, suppliers and communities where we operate:

- We promote the respect and promotion of human rights as a criterion for management and decision-making.
- We reject any act that attempts against or violates human rights.
- We have absolute respect for the personal dignity of the worker, and his beliefs.
- We respect and do not discriminate against individuals, colleagues, customers, contractors or suppliers based on differences of sex, religion, political inclination, nationality, social level or hierarchy.
- We provide dignified, safe and healthy working conditions.
- We recognize the right to rest of our employees.

- We reject child labor.
- We comply with the provisions of current labor legislation.
- We offer fair wages in accordance with the law.
- We respect the right of free association.
- We value the culture and diversity of the territories where we operate.

During 2021 we implemented and disseminated the Human Rights policy in our companies, 100% of our investments approving it. Once the human rights policy has been implemented, during 2022, we hope to carry out the identification of risks and mitigating actions in companies in the real sector.

As for mitigating actions, in 2021 we monitored and evidenced that all activities to prevent possible human rights violations are being successfully executed. In addition, we continue to implement strategies that allow monitoring and establishing timely actions in light of the health crisis generated by the pandemic.

Additionally, we have worked to train our collaborators in these issues. A total of 249 people have participated in training activities on aspects such as the evolution of human rights, their definition and concepts, the importance for companies, the context of our policy, and on diversity and inclusion.

#### **6.4. Our contribution to communities**

The social contribution we make in Corficolombiana, together with our investments, is significant and increasingly relevant in the national context. In 2021, our social programs benefited more than 431,000 people with an investment that exceeds \$73.3 billion in education, health, infrastructure, capacity building, entrepreneurship, humanitarian aid and sustainable production programs, among others.

A key aspect for the contribution to social progress was the return to in-person, since the reactivation of infrastructure expansion and maintenance projects favored the generation of local labor and the labor engagement of personnel from the communities, generating economic growth in the territories. Socializations, workshops and programmed activities could be carried out, which allowed greater coverage and closeness with the communities.

In 2021, we donated \$34 billion to the Luis Carlos Sarmiento Angulo Cancer Treatment and Research Center (CTIC) project, which aims to become the leading cancer treatment center in Latin America. The CTIC will offer a comprehensive range of services for patients, the provision of services without distinction of affiliation and payment to the Health System (contributory and subsidized), the availability of the highest technology biomedical equipment and the best qualified human talent, the emphasis on the development of cancer prevention and early detection programs, and compliance with quality standards according to national (ICONTEC) and international (Joint Commission) accreditation, among others.

We highlight within our investments, the social contribution of Promigas that develops programs with the communities in the areas of influence of the transport infrastructure and construction and maintenance projects, reaching 12 departments and more than 113 municipalities in Colombia and 13 districts in Peru. The company also made a significant contribution to the response capacity of relief agencies in five municipalities in Colombia and four fire departments

in Peru. Thanks to these programs, it was recognized by organizations at the national level, such as Andesco, Global Compact, ANH and Congress of the Republic for its social contribution.

In addition, Promigas, together with its related companies and the Promigas Foundation, contributed to the improvement of the quality of life of their communities with the development of 74 projects among which the improvement of community infrastructure (schools, courts, roads, village aqueducts), the installation of solar panels in rural educational institutions, the contribution to scholarship programs and support for education, support to vulnerable communities through the delivery of humanitarian aid in specific emergency situations, projects aimed at education for youth employment and entrepreneurship and sustainable productive projects are highlighted.

Our investments in road infrastructure, on the other hand, developed during 2021 in its area of influence 53 projects benefiting more than 200,000 people. These programs included initiatives such as the labor engagement of the population of the area of direct influence that reached on average 70% of the engaged labor force.

Among the social infrastructure programs, the preventive archaeology program developed in the Villavicencio – Yopal project that seeks to safeguard the archaeological heritage also stands out. Thanks to this activity, 334 pieces have been rescued for the historical heritage and 55 archaeological sites have been delimited, which will generate great cultural and tourist value for the region. Among the findings made, ceramics from the Formative Period have been identified in the departments of Meta and Cundinamarca, which extends sedentary human occupation between 500 and 800 A.C., expanding the presence of pottery societies in the region by almost a thousand years.

On the other hand, concessions such as Pacifico 1 continue to work on the promotion of productive enterprises through programs such as Peasant Markets that generate spaces to strengthen the peasant, family and community economy of the region.

Our investments in hospitality also developed programs for the prevention against the sexual exploitation of children and adolescents and renewed for all hotels the Friendly Biz (LGBTI) certification. Likewise, they supported the Women Working for the Goal Foundation by granting spaces to train the community in the prevention of childhood cancer. Our hotels also made donations in groceries and toys at Christmas time with allied foundations, in addition to continuing in all our operations with the collection of caps for the SANAR Foundation. Likewise, our hotels continue to offer rooms for the medical staff that carries out surgical days of the Foundation Operacion Sonrisa.

Through our Agribusiness companies, we promoted the local development of communities by contributing with employment, health, recreation, education and sports. Hand in hand with the National Commission of Indigenous Territories (CNTI) we generated stable employment for more than 400 employees belonging to these ethnic groups, in addition to signing a cooperation agreement to support the development of food sustainability projects that would benefit 3,000 inhabitants of the Wacoyo Indigenous Reservation. Additionally, through partnerships with SENA, compensation funds and local governments, more than 5,000 hours of training were carried out, so that employees and their families can complete their basic, secondary and technical training.

In the same way, health days and cultural activities were held with the support of the mayor's offices and the participation of the Police and the National Army, the first community home for

the care of the children of the collaborators was inaugurated and activities were carried out to improve the secondary roads of the areas of influence.

### **We develop social impact instruments**

In addition to our commitment to contribute to the communities where we are present through our investments, we have worked on the generation of financial instruments that demonstrate our definite commitment to contribute to society. Proof of this was the issuance of social bonds in 2021. This represents the first issue of social bonds in the history of the country with an amount of \$ 500 billion and was rated AAA by Fitch Ratings Colombia S.A. The issue was placed in its entirety demonstrating the market's interest in this type of instruments, which ensure not only financial profitability but also the use of resources in projects of social impact.

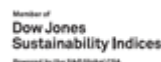
The proceeds of this bond issue were used to finance the Pacifico I projects, which runs from Bolombolo to La Primavera, in Antioquia, and Covioriente, between Villavicencio and Yopal, in the departments of Meta and Casanare. These projects were chosen in line with the International Capital Markets Association's (ICMA) 2021 Social Bond Principles. This international certification was achieved by the impact of these infrastructure projects on competitiveness, job creation, economic recovery and the quality of life of the communities in their areas of influence. The Pacifico 1 project generates 13,000 direct jobs and more than 10,000 indirect jobs in its area of influence, which are 17 communities. For its part, the Villavicencio-Yopal project generates 18,000 direct jobs and more than 14,000 indirect jobs and has an impact on 75 communities.

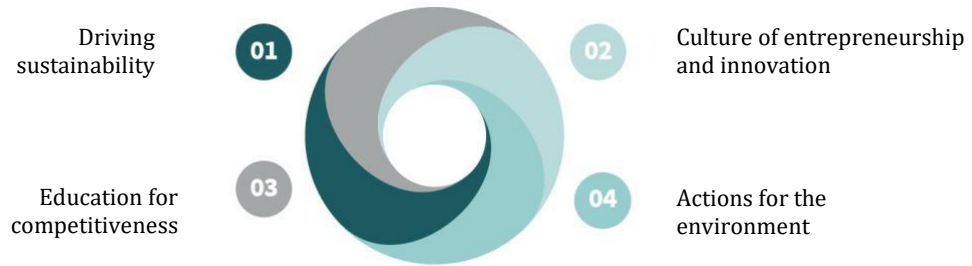
### **6.5. Corficolombiana Foundation**

Through the Corficolombiana Foundation we consolidate our social contribution and contribute to our Corficolombiana Sostenible strategy. In 2021 we took on the challenge of defining the Foundation's strategy and approach with the purpose of developing high-impact programs and initiatives that contribute to sustainability, that promote the generation of opportunities and the progress of the country in the regions where Corficolombiana has a presence. In this way we define the four strategic lines in which all the actions of the Foundation are framed:

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Throughout 2021, from the Foundation we focuses on promoting the development of skills, the generation of capacities and knowledge in issues of sustainable development, personal finance, digital marketing, environmental care, among others. Among the programs developed in each line we highlight:

### **Business Strengthening Program**

We designed and implemented a training, capacity building and coaching program through targeted workshops that allowed us to raise awareness among our companies about the importance of integrating sustainability into the business model and strategy. This program lasted six months and 22 companies and 75 people participated.

### **Alliance with Protalento**

In partnership with Protalento we financed the training route of 10 young talented women from different regions of the country, where for a period of 8 months they receive the accompaniment to train in technology, mathematics, English, socio-emotional skills and employability. The objective of the program is that these women become employed with competitive remuneration in Industry 4.0. Thus, we favor the training, empowerment and access of young women to professional opportunities in the world of information technologies.



### **Program Creciendo Juntos**



With the aim of generating relationships of trust and growth opportunities for more than 13,571 suppliers in Corficolombiana and affiliates, we structured the Creciendo Juntos program. With this, we want to generate management capabilities to strengthen their businesses, boost their sustainability, expand their market opportunities through a network and ensure efficient processes. In 2021 we gave workshops, talks and courses in digital marketing, financial education, entrepreneurship and business plan that impacted 34 suppliers of our investments Hoteles Estelar and Surtigas.

### **Financial Education**



With more than 250 beneficiaries and with the support of Corficolombiana volunteers, we conducted workshops in Financial Education "The 4 Golden Rules" according to the methodology of the German Sparkassenstiftung Foundation. The trainings are carried out to suppliers that are part of the National Network of Suppliers, as well as to collaborators of the road concessions: SA-PISA Infrastructure Projects and CCFC SAS concessions, belonging to the infrastructure sector of Corficolombiana. In total, there were 10 sessions, with an average participation of 21 people per session. To ensure good participation, the workshops were held in different modalities: virtual, face-to-face and mixed.

### **Rural Woman- Corporación Colombia Internacional CCI**



Aware of the problems faced by rural women in Colombia and in line with our interest in supporting projects for agricultural productivity, we support the crowdfunding initiative for rural women led by the Colombia International Corporation CCI through which 10 enterprises with 1,219 engaged women were supported, who sought mentoring and financing. Some of the ventures presented include: the Association of Women and Peasant Families of San Juan de Rioseco and its production of Cundinamarca eggs, the United Families Association of Cauca (ASFUC) and its production of Antioquian balanced food, the Association of Producers of Vegetables and Fruits of Pauna (ASOHOFRUP), among others.

### **Saving the Amazon**



In line with our Corficolombiana Sustainable strategy and our commitment to environmental conservation, we created the Sustainable Corficolombiana Forest. In partnership with the Saving The Amazon Foundation, 2,562 productive cocoa trees were planted in the corregimiento of Encharcazón, located in the municipality of Rio Iró, in Chocó. Our Sustainable Corficolombiana Forest has an important social component because we managed to empower and contribute to the reduction of multidimensional poverty of the MUCAHOPA Women's Association, made up of 25 women heads of household, who will have the responsibility of caring for the trees ensuring their growth, so that later when they enter the production stage they can generate income for themselves and their families.

### **Volunteer Programs**

In 2021 we started volunteer projects that included the participation of 34 volunteers from the Corporation. Of these, 10 members of our management team are mentors of the young beneficiaries of the Protalento Program, 4 of our officials led our financial education programs and 20 officials participated in activities and donations for low-income children of the Cambiando Historias Foundation.

## **6.6 We generate value for our suppliers and clients**

We develop mutually beneficial relationships with our more than 14,500 suppliers. This was a year of strengthening our relationship with them and achieving greater efficiencies in our processes with suppliers. We also designed our program for suppliers *Creciendo Juntos* that seeks to contribute to the growth of our suppliers through the generation of management capabilities, the promotion of sustainability, the generation of a network of suppliers to open larger markets

and share experiences and the development of efficient and timely purchasing processes. This program already has ongoing initiatives and will be launched in 2022.



A milestone in our relationship with suppliers in 2021 was the approval of the Sustainable Purchasing Policy by the Board of Directors. In the Policy we incorporate sustainability criteria in our purchasing process with the purpose of supporting and strengthening the sustainability of our suppliers and achieving the implementation of strategies for the management of rational, efficient and impactful procurement. The policy aligns our purchasing processes with our commitment to sustainability, so it incorporates environmental, social and governance criteria in the evaluation we make of our suppliers. We also made a characterization of our suppliers to identify areas of work with them in the management of ESG issues. Among the conclusions, aspects such as advances in corporate governance of our suppliers and job opportunities in areas such as environmental management, measurement of environmental impacts, inclusion and diversity, and contributions to the community are highlighted.

Additionally, in order to give greater agility to the purchasing decision-making processes, we modified the internal approval amounts of purchases. Regarding the opportunity in payments to suppliers, apart from guaranteeing a timely payment process, we ensure that the supplier has the due registration and updated documentation, as well as ensuring the corresponding legalization of contracts, issuance of policies and issuance of Purchase Orders, necessary documents to support the filing of invoices and the subsequent payment process.

Regarding the generation of capacities in our suppliers, we continue to support suppliers of our Estelar and Surtigas investments in topics such as digital marketing, financial education, entrepreneurship and business plan through workshops, talks and individual coaching.

**Clients:** As for our financial services clients, in 2021 we continued to strengthen our Integrated Business Model with an additional team of commercial strategy and financial managers nationwide for the corporate and private banking client segments, and with new business strategies and data analytics. This allowed us to face this year full of volatilities in the financial markets and grow in revenues close to 15%.

In addition, on the product side, we continued to strengthen our value offer with products such as Estrategia Patrimonial Plus, which will allow us to better meet the equity needs of our high-net-worth clients. Likewise, we continue to strengthen our offer of funds, where it is worth highlighting the growth of our multiply fund, reaching a value of \$ 290 billion with a growth of 200%.