

RESPONSIBLE
INVESTMENT POLICY



1. PURPOSE

The purpose of the Responsible Investment Policy is to establish the framework for the inclusion of responsible and sustainable investment principles in Corficolombiana's current and future investments. This policy reiterates the Corporation's commitment to the introduction, measurement, and monitoring of environmental, social, and corporate governance criteria (also known as ESG criteria) in decision-making and in the identification and management of risks, opportunities, and matters related to investment management.

This policy guides the Corporation's actions to generate value for our shareholders, stakeholders, and society in general. It also enables us to support subsidiary companies in setting goals and objectives to improve their performance in managing environmental and social risks and impacts.

2. SCOPE

The Responsible Investment Policy applies to Corficolombiana for its equity and fixed income investment processes.

3. DEFINITIONS

Equities: Type of investment composed of financial assets in which the return is uncertain due to investments in equity stakes of Corficolombiana in listed and unlisted companies in five strategic sectors: infrastructure, energy and gas, agribusiness, hospitality, and finance.

Controlled Investments: Equity investments in which Corficolombiana holds majority ownership with a stake greater than 50% or control declared through a shareholders' agreement.

Non-Controlled Investments: Equity investments in which Corficolombiana does not hold majority ownership with a stake less than 50%.

Fixed Income: Type of investment composed of financial assets in which the issuer commits to pay a defined return within a specified time period.

Portfolio investments: Equity portfolio in which Corficolombiana has a direct or indirect participation.

Responsible Investment: The PRI (Principles for Responsible Investment) defines responsible investment as "a strategy and practice to incorporate environmental, social, and corporate governance (ESG) factors

into investment decisions and active ownership." Responsible investment (RI) is an investment approach that explicitly recognizes the importance of ESG factors and the long-term health and stability of the market as a whole. RI understands that generating sustainable long-term returns depends on stable, functional, and well-governed social, environmental, and economic systems.

ESG: Refers to environmental (E), social (S), and governance (G) criteria.

Material Issues: Refers to critical issues for the business and its stakeholders.

4. CONTEXT: SUSTAINABILITY STRATEGY

Corficolombiana understands sustainability as the premise upon which it defines its actions and guides its decision-making processes. In Corficolombiana, sustainability refers to the commitment to generate economic, social, and environmental value to ensure the profitability of its shareholders while also contributing to the well-being and progress of present and future generations.

Regarding economic value, we seek opportunities and generate profitability in the short and long term for our stakeholders. Environmental value in Corficolombiana refers to our commitment to protect, maintain, preserve, and develop the ecosystems in which we conduct our business activities. Social value refers to the contribution we make to our employees, society, and the communities where our business operates. We strive to enhance quality of life and promote the capabilities of current and future generations.

Based on this purpose, we have consolidated our Corficolombiana Sustainable strategy, through which we define five fundamental pillars that frame all of our actions:



Under this context of Corficolombiana's sustainability strategy, the Responsible Investment Policy has been defined as a fundamental guide for decision-making.

5. INVESTMENT STRATEGY

Corficolombiana's main line of business is equities investment in companies of the real and financial sector. The Corporation is a long-term strategic investor in capital-intensive sectors, focusing on sustainable investments that aim for stable and growing cash flow with low volatility. Additionally, it invests in projects and companies in which it seeks to have a controlling position or significant influence.

Corficolombiana seeks to develop impactful businesses that contribute durably to community growth, progress, and improvement in quality of life.

Corficolombiana, through its treasury area, also makes fixed income investments with an investment strategy that seeks to guarantee good returns based on high-quality and sustainable investments, with a rigorous process of risk evaluation and management.

6. DECLARATION OF SUSTAINABLE INVESTMENTS¹

Corficolombiana, an affiliate of Grupo Aval, and its Board of Directors declare that:

- We recognize the importance of ESG (Environmental, Social, Corporate Governance) aspects for the generation of value for society, our customers, shareholders, suppliers, employees and strategic allies, as well as for the mitigation of potential risks.
- We are committed to include ESG (Environmental, Social and Corporate Governance) parameters as core components in our investment evaluation and decision-making process, as well as the review of the same aspects in our affiliates, in order to maintain their profitability and sustainability.
- We ensure that all our projects are implemented with the highest environmental standards. We know, develop, care for and protect the natural wealth of the regions through our companies.
- We work for the progress of the communities where we are present. Through our companies, we offer products and services that improve the quality of life, increase productivity, contribute to equity, and in general, help the community thrive.

¹ See the full text of the Declaration at <https://www.corficolombiana.com/documents/20123/44563/Declaraci%C3%B3nInversionesSostenibles.pdf/a617098b-be9e-42d5-ea3a-047c52e76d63?t=1594906140050>

- We are committed to generating an environment that motivates the high performance and development of our employees, within a framework of non-discrimination, respect and promotion of Human Rights.
- The process of monitoring and managing our portfolio investments includes an assessment of risks and opportunities related to ESG aspects, as well as seeking synergies, economies of scale, and disseminating best practices among our investments.
- At Corficolombiana we work and invest in the progress of the country with the purpose of generating economic, social, and environmental value, in a sustainable manner, in the five strategic sectors in which we invest: infrastructure, energy and gas, agroindustry, hotels and financial.

7. GUIDELINES

7.1. Integration of ESG aspects in portfolio investments

The analysis of investment opportunities mainly considers the best long-term value generation opportunities for our shareholders and including the analysis of environmental, social and corporate governance impacts of investments (ESG) to achieve a consistent management of risks and returns.

Portfolio investment decisions shall include an analysis of the material ESG criteria that apply according to the sector, region and size of each potential investment. This analysis will be made using different sources of primary and secondary information.

In the management of our investments, we establish ESG criteria that allow us to analyze the environmental, social, and governance performance and impact and define actions aimed at promoting these aspects in our companies. The criteria include indicators that are published to all our stakeholders, and regular monitoring is conducted by the Investment and Sustainability departments, at a minimum annually.

The ESG criteria apply uniformly to all businesses and sectors in which Corficolombiana invests:

 Environmental	 Social	 Government
GHG Emissions Water Management Energy Consumption Waste Management Environmental Protection and Conservation Climate Change Management Strategy	Occupational health and safety Labor conditions and labor relations Talent management practices Training programs Suppliers and value chain Human Rights Impact on local communities Social programs	Board Structure Board Effectiveness Corporate Policies Audit and Control Ethics and Transparency Accounting and Tax Practices ESG Strategy

Regarding specific criteria for some sectors, the Investment and Sustainability areas analyze, according to the sector, aspects such as:

 Environmental	 Social
Energy transition products and services Offsetting activities Sustainable infrastructure Surface water management International sustainability certifications	Customer satisfaction Road safety Ethnic minority programs Responsible marketing

7.2. Investment search and evaluation (Screening)

As part of the evaluation of new portfolio investments, potential disputes over their environmental, social or corporate governance impact will be identified to determine the feasibility of the investment. Disputes will be understood as those situations that, although directly categorized in excluded activities or not, might adversely affect the environment, society or infringe the ESG criteria.

The evaluation process of new portfolio investments will include an analysis of those investment proposals that generate or may generate disputes due to their social, environmental and/or corporate governance impact, assessing whether such disputes are structural or non-structural, the degree of severity, and their management by the companies. The analysis of disputes will consider their materiality and impact.

Controversial activities will be understood as those that are highly exposed to the following practices (not excluding any other that Corficolombiana considers could have an adverse impact under ESG criteria) as listed below:

 Environmental	 Social	 Government
Pollution Affection of water Deforestation Threats to protected ecosystems Affection of public health Resource depletion Climate change	Threats to vulnerable communities or government-declared minorities Activities that limit the individual rights and freedoms of individuals Affection of Labor Rights Child labor	Corruption and Bribery Lack of transparency in Corporate Governance Misrepresentation of public Information Affection of the rights of shareholders

In any case, Corficolombiana has decided to exclude the following sectors from its investments: Production or distribution of nuclear weapons, and production of tobacco, coal mining, coal infrastructure, coal-fired power generation, unconventional oil and gas (fracking).

7.3. Investment Management and Administration (Stewardship)

We firmly believe that one of our main functions as a holding company and manager of our investments is to ensure that our companies have high sustainability standards, understanding their economic, social and environmental impact, their stakeholders, and identifying risks and opportunities in financial, environmental, social and governance terms.

To this end, we implement a framework of action that includes, for both our controlled and non-controlled investments, a robust engagement strategy that guides the way in which we promote our investments to advance ESG issues, the definition of a voting strategy in which we exercise our right to participate in

strategic decision-making, and the establishment of guidelines for collaboration with other stakeholders and companies to achieve the proposed objectives, among others. We understand the importance of transparency and disclosure in the management of our portfolio of companies, which is why we strive to have accurate and available information.

7.3.1. Controlled Investments

7.3.2. Engagement

In its investment management, Corficolombiana will promote the principles of responsible investment trying to be an agent of change for the development of the country and society.

In this way, in the portfolio investments in which Corficolombiana has a controlling interest, the monitoring and support process of the companies' management shall include the definition of goals and objectives regarding the ESG impact, the evaluation of ESG criteria to identify risks, in addition to seeking synergies, economies of scale and disseminating best practices among such investments.

For this purpose, we have signed a Business Agreement with our companies to align the strategy of Corficolombiana and its subsidiaries, aiming to promote best practices and recommendations through a set of principles and guidelines for relationship management. The agreement frames the relationship between Corficolombiana and its companies into eight main chapters: 1. Implementation of corporate strategy, 2. Corporate governance, 3. Sustainability in social and environmental aspects, 4. Innovation, technology, and cybersecurity, 5. Risk management, control, compliance, ethics, and transparency, 6. Human talent, 7. Reputation and communications, and 8. Ongoing relations: audit and financial consolidation.

The agreement is regularly monitored through indicators and criteria defined in sections 7.1 and 7.2 of this policy. This establishes ESG general indicators and criteria that allow for quantifying and assessing the opportunities and risks of our investments in environmental, social, and corporate governance issues, such as climate change management, environmental impact, biodiversity, human rights, ethics and transparency matters, risk management, human talent management, and social programs, among others. These issues are measured and reported through a tool that enables constant monitoring and transparency in our management by publishing the results of the main ESG indicators to our various stakeholders. The indicators are measured periodically, at a minimum annually, and based on their fulfillment, a specific action plan is developed with each company in the different sectors in which we have investments.

Additionally, in line with good engagement practices, Corficolombiana organizes meetings where executives from the different controlled companies participate to continue strengthening interaction and

alignment with Corficolombiana's strategy. Furthermore, the results of Corficolombiana's relationship with its companies are presented in these spaces to highlight positive outcomes, propose best practices, and action plans.

Corficolombiana's engagement with its controlled investments is through constant interaction and feedback led by the Corporation's investment team, as well as other departments within the Corporation specialized in their respective fields. This is facilitated through the transmission, adaptation, implementation, and monitoring of corporate policies. Additionally, there is ongoing contact through the board members appointed in each of Corficolombiana's companies. This allows Corficolombiana to work on aligning the strategy of its investments with that of the Corporation, conducting frequent monitoring, and guiding the course of its investments in ESG issues. In this way, the selection of board members is crucial to safeguard Corficolombiana's interests as a shareholder, achieve major influence, and ensure progress in ESG matters.

The Corporation develops engagement activities with its controlled companies that seek to generate positive impacts for its stakeholders, including employees, suppliers, customers, communities, and the environment. These activities include matters such as interaction spaces, workshops, advisory and training activities, and disclosure of information related to relevant ESG issues and climate change.

7.3.3. Voting

Through voting in Boards of Directors, Corficolombiana as shareholder, ensures the creation of long-term value in its investment portfolio and guarantees transparency in ESG issues through the real evaluation of emerging associated risks. Board members assigned by Corficolombiana vote 100% of the shares to give signals of support or concern regarding corporate governance or business practices.

Voting in Boards of Directors and Shareholders' Meetings is based on compliance and alignment with the Corficolombiana Sustainable strategy and its corporate policies, which contains minimum indicators in terms of ESG aspects described above, we use the vote to promote the progress of our companies and the country.

7.4. Non-Controlled Investments

7.4.1. Engagement

In portfolio investments in which Corficolombiana has a non-controlling position, the engagement takes place to maximize and preserve the value of such investments. It is sought that such investments consider sustainability as a source of value generation and adequately manage their ESG issues. In this way, a

monitoring and management process in companies for ESG issues is established, in which these issues are evaluated using a tool created by the Corporation that includes fundamental issues in environmental, social, and governance management, such as climate change management, environmental impact, human rights, ethics and transparency, risk management, human talent management, and social programs, among others.

In addition, a letter will be sent annually to these companies addressed to the presidents of the investments updating them on Corficolombiana's strategy, its ESG measurement parameters and international measurement parameters.

Corficolombiana will hold meetings with the directors of the non-controlled companies to maintain constant interaction and feedback in order to work on recommendations on their ESG management, achieve 8 Responsible Investment Policy an alignment of the strategy of these companies with the five pillars of Corficolombiana Sostenible and keep them informed of the latest policies implemented by the Corporation.

7.4.2. Voting

In portfolio investments in which Corficolombiana has a non-controlling position with major influence, through its position in the Board of Directors it will monitor the application of ESG criteria and propose to the Board to use parameters and criteria aligned with Corficolombiana's responsible investment policy and its Corficolombiana Sostenible strategy. In case the company conducts activities that are not compatible with this policy, the non-conformity will be recorded in the minutes of the Board of Directors.

In addition, in companies where Corficolombiana does not hold a position in the Board of Directors, Corficolombiana will prepare its own report and exhaustive analysis with public information that will provide the tools to vote in the Assemblies. In case the company does not publish the information before the Assemblies, the proposals will be voted against, and a record will be made.

Corficolombiana will vote 100% of the shares to give signals of support or concern regarding corporate governance or business practices.

7.4.3 Escalation

The diversity of relationship strategies allows us to promote pending issues and improvement plans in strategies and indicators. However, in the event that this does not occur, we count on the mechanisms for escalation to higher levels of the organizations of our controlled and non-controlled companies, which include seeking collaborations with other companies, relations with the Board of Directors, participation in the General Assembly, formal communications to the decision-making bodies, among others.

7.4.4. Collaboration

We understand that the definition of different collaboration mechanisms as part of alliances, partnerships and even the search for synergies between our investments to achieve ESG objectives, is an essential element for the promotion of responsible investment practices. In this way, we actively collaborate for the achievement of a more sustainable environment for our companies and for the fulfillment of ESG goals at the country level, and goals related to the Sustainable Development Goals and the 2030 Agenda.

7.5. Fixed Income Investments

In its fixed income investments, Corficolombiana shall include the principles of responsible investment, taking into account ESG criteria. In this way, fixed income investments will be promoted in issuers that are incorporating the ESG principles into their policies and strategies, such as, for example, corporate governance principles, protocols and agreements to develop responsible environmental and social practices and that promote sustainable development.

For the consideration of ESG aspects in fixed income investments, Corficolombiana will implement a process for the analysis of the issuers as part of the process carried out for risk management.

7.6. Capacities in Responsible Investment

Corficolombiana will implement a training strategy for the team that participates in the processes of analysis and monitoring of investments, risk management and decision-making.

7.7. Policymakers

The approval of Corficolombiana's responsible investment policy is the responsibility of the Corporation's Board of Directors, and its implementation is the responsibility of the Corporation's Presidency through the Vice Presidency of Investments, the Executive Vice Presidency, the Vice Presidency of Treasury, the Vice Presidency of Governance, Risk and Compliance, the Vice Presidency of Investment Banking and the Sustainability Directorate. This policy shall be disclosed to the different stakeholders.

The different committees of Corficolombiana, according to their competence, will monitor and follow up on compliance with this Policy and will inform the Board of Directors on the progress. Additionally, a report on the management will be submitted in the Annual Sustainability Report of Corficolombiana.

The follow-up of compliance with the policy shall take place every year, reporting the results to the in-

interested parties. The actions developed within the framework of the responsible investment policy shall be voluntary for the Corporation and do not constitute a regulatory or normative duty.

8. REFERENCE DOCUMENTS AND ANNEXES

Not applicable.

9. CHANGES AFTER THE CREATION OF THE POLICY

Date	Versión	Nature of Change
Nov-25/2020	1	Document creation. Approved by: Board of Directors as Recorded in Minutes No. 1936 of November 25, 2020
Jun-28/2023	2	Approved by: Board of Directors as Recorded in Minutes No. 1996 of June 28, 2023.

SUPERINTENDENCIA FINANCIERA
DE COLOMBIA

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