

Sustainability **Report**

2023

“Thanks to all the employees of Bancóldex for their valuable management and contributions to the construction of this Sustainability Report.



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Glossary



President's Letter

Attending to our mission call 2023

GRI 2-22

In line with our mission as Colombia's Business Development Bank, during 2023, we continued our work to support the productive activity of micro, small, and medium-sized enterprises (MSMEs), sustainable development, and the internationalization of companies in Colombia.

With this goal in mind, we progressed in managing our strategic focus areas through the actions described in our twelfth Sustainability Report. These actions represent the concrete contributions that our bank makes to improve the quality of life of Colombians and strengthen their development opportunities, in line with the commitments the country has made to the 2030 Agenda. This motivation drives us, as an active part of society, to halt environmental degradation, remove barriers to social well-being, and address

limitations to economic growth.

This document has been prepared using the GRI Standards methodology, designed by the Global Reporting Initiative, with the aim of communicate to all our stakeholders about the social, environmental, and economic impacts of organizational activities. This report also takes into account SASB (Sustainability Accounting Standards Board) standards, allowing us to include useful data and relevant information for our counterparts in the financial sector and investors, as well as TCFD (Task Force on Climate-related Financial Disclosures) standards to report on climate-related risk management.

With the support of these reporting frameworks, we present in this report the activities in 2023 that allowed us to benefit more than 106,000 companies in 1,109 municipalities across all 32 departments of the

country, with favorable credit conditions totaling COP6.3 trillion. Nearly COP1 trillion was disbursed to 100,000 microenterprises, impacting 62,000 women entrepreneurs.

In its role as a public policy instrument, the Bank offered 29 special credit lines, which brought COP874.176 billion in financing. Of these, 13 had a regional focus, with disbursements of more than COP100 billion to over 7,000 entrepreneurs in different regions of Colombia.

In 2023, we also collaborated with other entities of Grupo Bicentenario and the Banking Opportunities Investment Program called Banca de las Oportunidades in constructing the National Government's Strategy for the Popular and Community Economy. Under this framework, COP4.892 billion was disbursed through the CREO credit program, aimed at promoting financial inclusion for microbusinesses.



In line with our commitment to sustainable development, we financed 552 projects with 606 operations, of which 254 were led by SMEs. We issued social bonds worth COP600 billion, resources that will contribute to the Sustainable Development Goals (SDGs) associated with poverty eradication, gender equality, decent work, and economic growth, among others. This operation solidified the entity's position as the largest thematic bond issuer in the public securities market.

Likewise, we have consolidated the management of the internal environmental impacts of our operation, including efforts to reduce carbon emissions, promote a more sustainable supply chain, circular economy practices with waste, and an organizational culture valuing sustainability.

Additionally, Bancóldex obtained an environmental, social, and governance (ESG) corporate rating from Standard & Poor's, with a score of 68 points, surpassing the Latin America and Caribbean regional average of 55 points obtained by rated companies.

Finally, 2023 was marked by a series of milestones on international

stages, consolidating the entity's regional leadership as a reference for development banks. We hosted the 4th edition of the Finance in Common Summit 2023, the global summit of development banks, which brought together over 1,300 attendees from 66 countries in person.

Among the recognitions received by Bancóldex in the year, we can highlight the gender leadership award granted by the Multilateral Investment Guarantee Agency (MIGA) of the World Bank Group; the Alide Verde Award for the microfinance credit line for ecosystem-based adaptation measures; the silver award in the financial inclusion category in Colombia for the neocredit platform, by Fintech Americas, and the first place in the 2023 Board Recognition awarded by KPMG Board Leadership Center, highlighting boards that, through their leadership and commitment, are shaping a new standard in corporate governance.

These achievements are possible thanks to the commitment of our 429 employees, who form a diverse and inclusive team, responding with professionalism and dedication to the challenges of contributing

to Colombia's development and capitalizing on the growth and training opportunities we generate as an institution. These factors are reflected in the Workplace Environment Index rating, allowing us to receive Great Place to Work certification for the fourth consecutive year.

We invite you to learn in detail about these and other actions through which we work to enrich the value we generate for Colombian society and respond to the changes in an environment and market in constant evolution, demanding innovative responses and new ways to achieve our goals and objectives.

Javier Díaz Fajardo
President of Bancóldex



Bancóldex in 2023



- We disbursed COP 6.3 trillion, supporting **over 106 thousand companies across 1,109 municipalities** in all 32 departments of the country.
- Out of the total amount, **COP 5.7 trillion** was granted through rediscounting¹ and **COP 658 billion** through direct credit.

Over COP 1 trillion of the disbursed funds went to 100,000 microenterprises, with over 62,000 of them led by women.

- More than 6,000 SMEs received **disbursements totaling over COP 2.7 trillion**, with COP 1.3 trillion for small and COP 1.4 trillion for medium-sized enterprises.
- As part of the “**CREO un crédito para conocernos**” program, we designed a special credit line for the Popular Economy, launched on November 24, with disbursements totaling COP 4.892 billion.

- We financed **552 sustainable development projects with disbursements** exceeding COP 195 billion, with 254 of these projects benefiting SMEs.

As a public policy instrument, Bancóldex offered 29 special credit lines, disbursing COP 874.176 billion. Thirteen of these were regional, with disbursements of over COP 100 billion to more than 7,000 entrepreneurs.

- COP 2.08 trillion was provided to **support business modernization.**
- We issued **Social Bonds in the public securities market** worth COP 600 billion.
- **We reduced our carbon footprint by 28% compared to the base year (2021) and by 8% compared to 2022**

- Bancóldex received an **ASG (environmental, social, and governance) corporate rating from Standard & Poor's**, scoring 68 points, higher than the 55-point average rating in Latin America and the Caribbean.
- We hosted **the 4th edition of the Finance in Common Summit**, with over 1,300 attendees from 66 countries.

For the fourth consecutive year, Bancóldex received the Great Place to Work certification as a great place to work.

- **The Bank received the 2023 Alide Verde Award** for the Microfinance Line for Ecosystem-based Adaptation Measures (MEbA).

- The neocrédito product received the **silver award in the financial inclusion category** in Colombia from Fintech Americas.
- Bancóldex was **elected co-chair of the International Development Finance Club (IDFC)** for a period of 2 years.

In 2023, we were recognized by the Multilateral Investment Guarantee Agency (MIGA) for our contribution to closing gender gaps and facilitating financing for women entrepreneurs in Colombia.

- We achieved the first place in the “**2023 Board Recognition**” awarded by the KPMG Board Leadership Center.

¹For further information, please refer to the Glossary section of this report



03

About this report

GRI 2-2; 2-3; 2-4

Teste informe ha sido elaborado a partir de la metodología Estándares del GRI - Global Reporting Initiative y presenta la información sobre el desempeño ambiental, social y económico de Bancóldex en el periodo comprendido entre el 1 de enero y el 31 de diciembre del año 2023. Este informe también tiene en cuenta los estándares SASB - The Sustainability Accounting Standards Board, con énfasis en las guías Bancos comerciales y Banca de inversión y corretaje, para recolectar y plasmar de manera integral las diferentes operaciones de nuestro Banco; así mismo, hemos incluido en este ejercicio los estándares TCDF - Task Force on Climate-related Financial Disclosures para informar sobre la gestión de los riesgos relacionados con el cambio climático. De esta manera, hemos obtenido una visión completa y detallada del desempeño de la organización en términos ambientales, sociales y económicos durante el periodo mencionado.

3.1. Materiality Analysis

GRI 3-1;3-2

This report has taken as a reference the materiality analysis we conducted in 2022, under which we have progressed in managing the aspects and impacts of the Bank's activities that are most significant to our stakeholders, especially investors.

We have also worked to ensure that the issues comprising the corporate materiality matrix are related to the 2022-2026 strategy, as well as to the sustainability strategy up to 2030.

For the identification of material topics, we have considered standards such as the Global Reporting Initiative (GRI), Task Force on Climate-related Disclosures (TCFD), Morgan Stanley Capital International MSCI Index, Principles for Responsible Investment - PRI, Principles of Ecuador, The United Nations Environment Programme Finance Initiative - UNEP - Fi, and Standard & Poor's - S&P.

From a double materiality perspective, this analysis includes

the impacts we generate as an entity on our stakeholders and the environment, as well as the financial aspects relevant to investors and capital markets, and those non-financial aspects that may affect Bancóldex's ability to generate value and financial dividends.

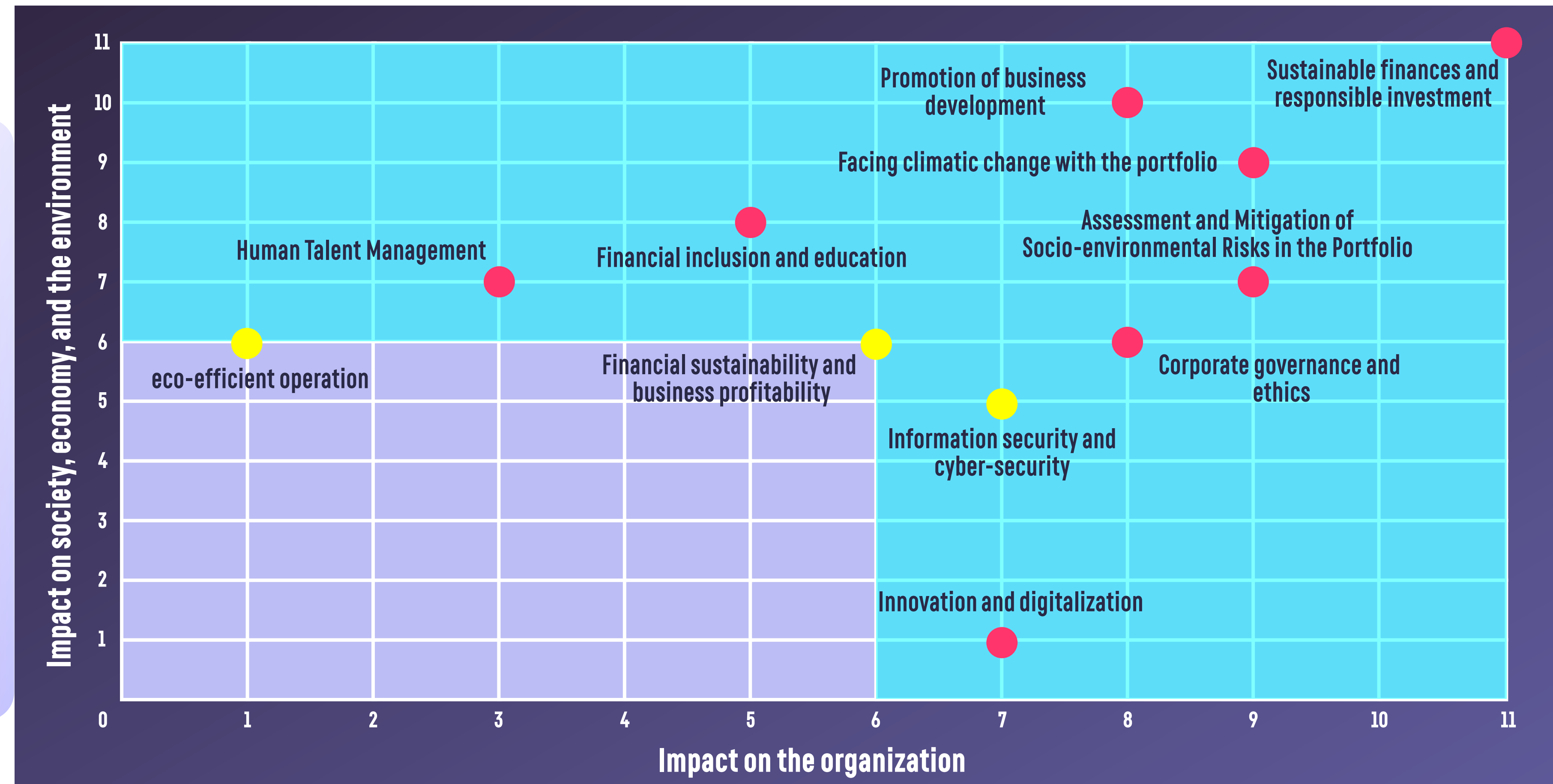
To achieve this latter perspective, we reviewed The Sustainability Accounting Standards Board - SASB, World Economic Forum - WEF, Dow Jones Sustainability Index - DJSI, Morgan Stanley Capital International - MSCI, and Sustainalytics, as well as the insights of internal leaders.

The steps we took in this process were as follows:



Graph 1 Materiality Definition Process

The material topics were defined based on a threshold divided into four quadrants. Each axis operates on a scale from 0 to 11 (representing the quantity of relevant issues), and a threshold is drawn at number 6 on the X-axis and number 6 on the Y-axis, resulting in the following prioritization:



Influence On Interest Groups

- High
- Ver High

Graph 2: Bancoldex Materiality

A topic can be considered material from the perspective of impacts on the economy, the environment, and people, including impacts affecting human rights, or from the dimension of impacts on the organization, as well as from the perspective of financial materiality. For this reason, the matrix has two key thresholds:

- Topics located above the threshold on the Y-axis are those that generate the most impacts (positive or negative) from activities, services, and products, including our value chain.
- Topics located to the right of the threshold on the X-axis are the topics that most impact the ability to create value, strategic objectives, and our financial performance.



The material topics identified, analyzed, and developed throughout this report are:

- Sustainable finance and responsible investment
- Promotion of business development
- Addressing climate change within the portfolio
- Human talent management
- Financial inclusion and education
- Evaluation and management of socio-environmental risks in the portfolio
- Corporate governance and ethics
- Information security and cybersecurity
- Financial sustainability and business profitability
- Innovation and digitalization
- Eco-efficient operations



Our Bank

4.1 We are Bancóldex, the Business Development Bank of Colombia

GRI 2-1

Bancóldex, as the Business Development Bank of Colombia and as a public policy instrument, supports the productive activity of micro, small, and medium-sized enterprises (MSMEs), promotes sustainable development, and the internationalization of businesses in Colombia.

Banco de Comercio Exterior de Colombia S.A. (Bancóldex) is a mixed economy company of national order with its main headquarters located in the city of Bogotá D.C., not assimilated to the regime of industrial and commercial state-owned enterprises, organized as a banking credit institution under the inspection, control, and supervision of the Financial Superintendence of Colombia and linked to the Ministry of Finance and Public Credit. Our

social purpose defined in the bylaws consists of financing, primarily but not exclusively, activities related to exports and the national industry, acting for this purpose mainly as a rediscount bank (second tier), rather than as a direct intermediary. In addition, we have a portfolio of direct services designed for SMEs and large companies, promoting growth and business development and driving all economic sectors of the country.

To fulfill our social purpose, we offer a portfolio with three types of solutions for micro, small, medium, and large enterprises: i) credit and guarantees, ii) investment in funds, and iii) business strengthening, which will be explained later.

Likewise, by directive of the Ministry of Finance and Public Credit, we perform the role of administrator

of the investment program called the Banca de las Oportunidades, which responds to a strategy of the National Government aimed at promoting access to credit and other financial services for low-income families, micro, small and medium-sized enterprises, and entrepreneurs. This initiative also seeks to promote the articulation, execution, and monitoring of inclusion and economic and financial education policies determined by the Government around the educational community and the general public.



The capital composition of the Bank is as follows:

	GRUPO BICENTENARIO S.A.S. ²	MINORITY SHAREHOLDERS	TOTAL
NUMBER OF SHARES	1.059'563.515	3'031.453	1'062.594.968
OWNERSHIP (%)	99,72%	0,28%	100%

Table 1 Bancóldex Shareholding Composition

4.1.1. Corporate Strategy 2022-2026

GRI 2-6

As a key player in supporting business development in Colombia, we have **outlined four major strategic focuses** to provide solutions to micro, small, medium, and large enterprises. Each of our solutions includes financial and non-financial products that we offer through our financial partners, as well as directly.



Graph 3 Bancóldex Strategic Focuses

²The Ministry of Finance and Public Credit holds a 99.9% equity stake in Grupo Bicentenario S.A.S.

Additionally, in 2015, Colombia joined the Paris Agreement and the 2030 Agenda, initiatives aimed at establishing concrete goals and a common language in addressing global sustainability challenges, through 17 Sustainable Development Goals (SDGs) and 169 targets (United Nations, 2015).

As executors of activities through which the National Government seeks to achieve the purposes of public policy, at Bancóldex, we analyze these goals and objectives to identify our specific possibilities for contribution and the characteristics in terms of impact and scope of the contributions we can make as the Business Development Bank of Colombia.

As a result, we identify the SDGs to which we contribute, which is why throughout the report, we will present alignment with each corresponding SDG.

With the above explanation, we now present the description of each of the four strategic focuses of our corporate strategy:

ECONOMY



SOCIETY



BIOSPHERE



FIRST STRATEGIC FOCUS: SUPPORTING SUSTAINABLE DEVELOPMENT

Providing financial and non-financial solutions to companies to boost investments that allow them to manage environmental, social, and climate risks and incorporate environmental aspects into their strategies and business models, as well as improving access to credit for companies owned or led by individuals from diverse populations. The management is focused on:

- I Securing resources under differentiated conditions from the perspective of liabilities.

- II Designing financial and non-financial products to drive business investments in climate change management (mitigation and adaptation), circular economy, and bioeconomy.
- III Promoting investment with a sustainable impact perspective towards innovative ventures, traditional microenterprises, and large companies.

Through this strategic focus, we contribute to achieving all the SDGs prioritized by Bancóldex.

Graph 4 SDGs related to the first strategic focus

SECOND STRATEGIC FOCUS: IMPROVING BUSINESS PRODUCTIVITY WITH A FOCUS ON MSMEs:

Attention to Microenterprises:

Solutions focused on the needs of the Popular Economy and microenterprises.

Boosting inclusion, financial well-being, and growth of the Popular Economy, defined as all economic units of low scale of a personal, family, micro-business, or microenterprise nature with a regional focus. This is achieved through entities oriented towards

microenterprise credit, rediscount credit, digital platforms such as neocredit, and financial education. In the microenterprise segment, productive units with annual sales of up to \$1.7 billion pesos are included.

Through the attention to microenterprises and the Popular Economy, we contribute to the achievement of the following SDGs:



Graph 5: SDGs related to the second strategic focus on MSMEs

Small and Medium Enterprises:

Offering first and second-tier financial instruments, as well as non-financial products that promote job creation, investments in innovation, research and development, technological transformation, certifications, among others.

In the small business segment, companies with annual sales of up to

\$16,000 million pesos are included. In the medium-sized business segment, companies with annual sales of up to \$82,000 million pesos are included.

Through the attention to small and medium-sized enterprises, we contribute to the achievement of the following SDGs:



Graph 6: SDGs related to the second strategic focus on small and medium-sized enterprises

THIRD STRATEGIC FOCUS: ACTING AS A PUBLIC POLICY INSTRUMENT

As a countercyclical instrument of public policy, the Bank will continue to support the Colombian business sector in special circumstances or economic, social, and environmental crises with financial products appropriate to the urgency being presented.

Through this strategic focus, we contribute to the achievement of all SDGs.

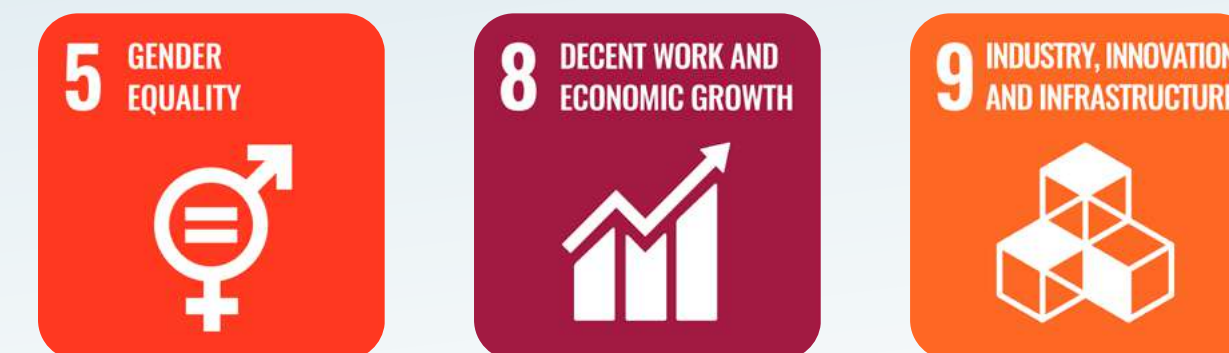


Graph 7 SDGs related to the third strategic focus

FOURTH STRATEGIC FOCUS: SUPPORTING THE INTERNATIONALIZATION OF THE ECONOMY

Strengthening the Bank's portfolio with financial and non-financial products in order to have relevant instruments that support Colombian companies in preparing to conquer new markets, strengthen their position in international markets, and

integrate into global value chains. Through this strategic focus, we contribute to the achievement of the following SDGs:



Graph 8: SDGs related to the fourth strategic focus

Emphasis of the Corporate Strategy 2024 - 2026

In 2023, the Bank's Administration and Board of Directors reviewed the Bank's corporate strategy based on international commitments to sustainable development such as the Paris Agreement and the 2030 Agenda, as well as the National Government's policy guidelines, including:

- The National Development Plan 2022-2026 "Colombia, a global powerhouse for life";
- The Reindustrialization Policy;
- The Foreign Trade Policy for internationalization and sustainable productive development;
- The Tourism Policy in Harmony with Life;
- The Credit Inclusion Strategy of the Popular Economy 2022-2026.

As a result of the review, we reaffirmed our four strategic focuses and Bancóldex's purpose as a development bank and instrument of public policy, contributing to improving business productivity, especially of SMEs, supporting sustainable development and the internationalization of companies in Colombia, as well as contributing to the achievement of the goals of the 2030 Agenda.

We also identified significant progress related to the support of micro, small, and medium-sized enterprises located in various regions of the country. However, we also recognized the importance for Bancóldex's strategy, as a development bank and countercyclical policy instrument, to reflect greater ambition for the coming years.

This greater ambition involves strengthening our portfolio focused on the needs of entrepreneurs, providing better terms, grace periods, and interest rates on more favorable conditions; supported by the definition of even more ambitious goals regarding the placement of products and services in order to maximize their impact on Colombian micro, small, and medium-sized enterprises, both in rediscount and direct credit.

We aim to deepen our presence in remote regions and areas affected by armed conflict, meet the financing needs of the Popular Economy and women micro-entrepreneurs, as well as innovate in financial solutions to support financial inclusion, reindustrialization, sustainable development, and the internationalization of Colombian companies.

Similarly, we seek to be recognized as a Bank that contributes to the country's sustainable development and the achievement of the Sustainable Development Goals (SDGs), being an ally of entrepreneurs, especially micro-businesses in the popular economy.

Finally, we will seek to expand and deepen our relationships with different territorial strategic actors such as municipalities, governorships, chambers of commerce, and ministries, which allow us to leverage financial solutions on favorable terms, as well as non-financial products that meet the needs of specific groups in the business fabric.

4.1.2.Our Portfolio for Business Development

We offer a strategic development portfolio with three types of solutions for micro, small, medium, and large enterprises, namely: credit and guarantees, investment in funds, and business strengthening.

CREDIT AND GUARANTEES
SASB FN-IB-000.B

We offer 8 products through financial partners and direct credit with the following characteristics:

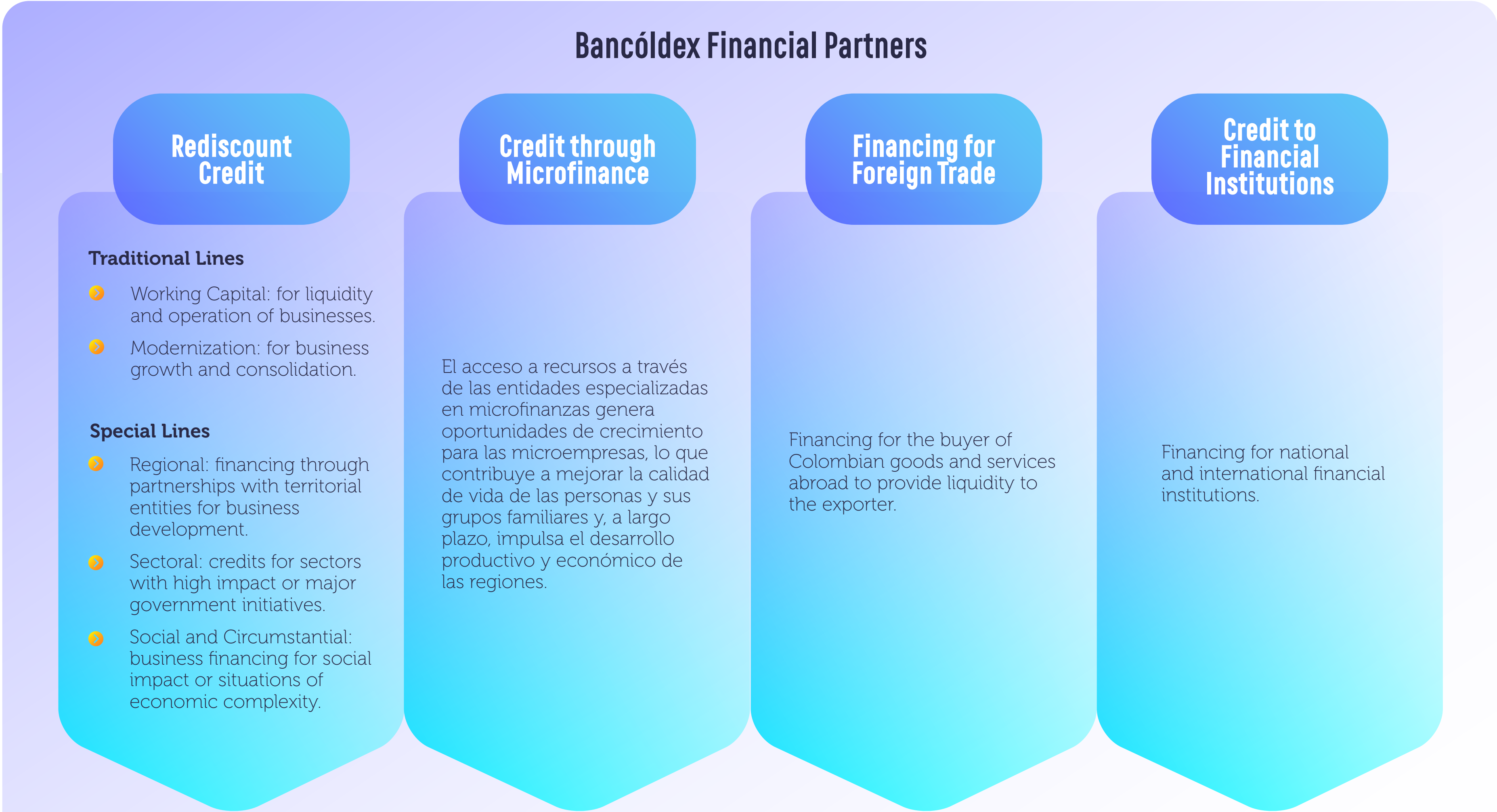


Table 2 Credit and Guarantees Products

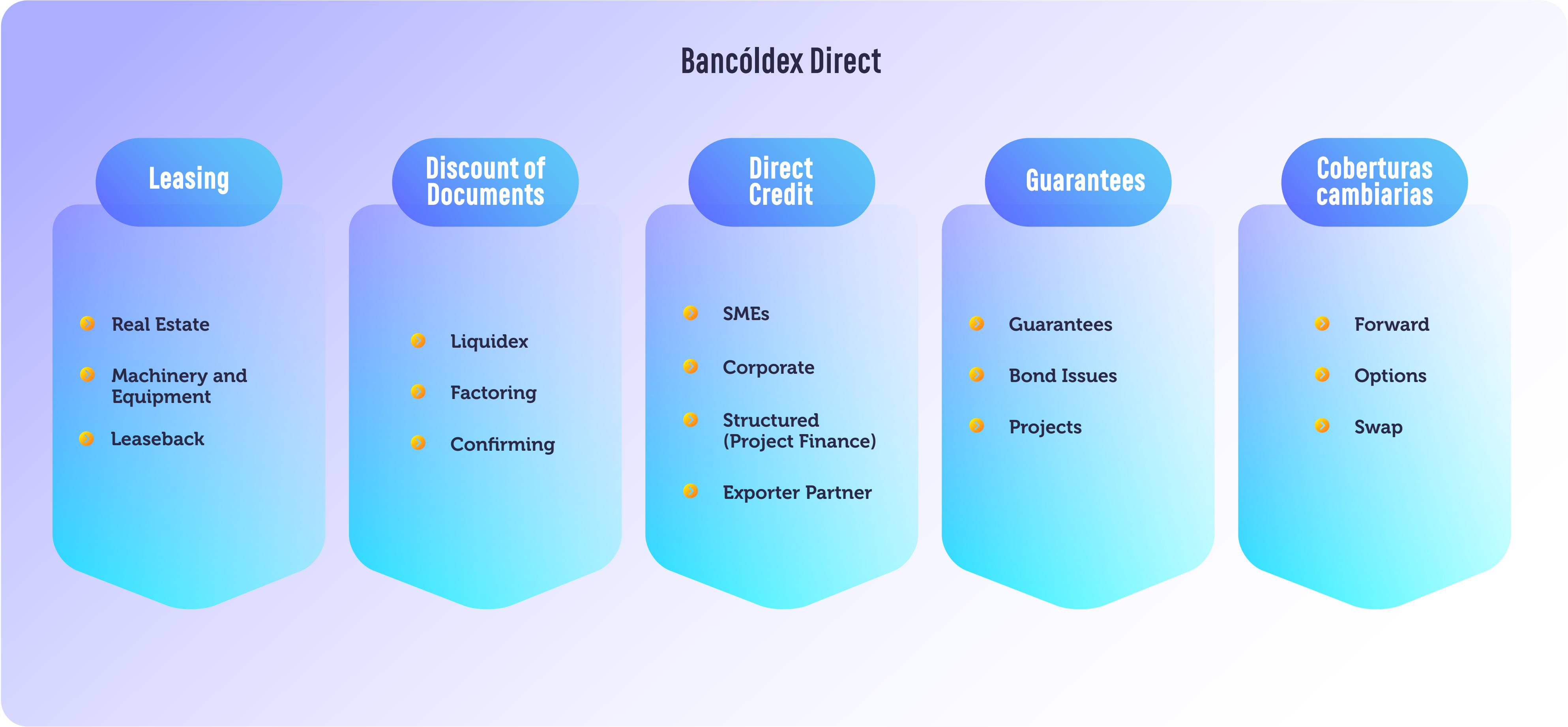


Table 2 Credit and Guarantees Products

Based on the development of these financial solutions, that is, through financial allies and direct products, in 2023 we disbursed more than COP 6.3 trillion, as follows:

	2021	2022	2023	Var% (2021-2022)	Var% (2022-2023)
Direct credit EOCM	568.039.510.141	898.564.820.013	823.187.936.421	58%	-8.39%
Corporate direct credit	10.000.000.000	89.869.410.051	160.266.743.265	799%	78.33%
Direct credit to SMEs	699.234.977.901	255.999.117.078	155.984.209.288	-63%	-39.07%
Total Liquidex	215.448.952.752	321.465.652.957	342.434.284.341	49%	6.52%
Rediscount and Leasing	2.370.213.142.366	4.166.684.579.795	4.263.974.134.687	76%	2.33%
Interbank credit	1.089.499.236.347	626.557.680.000	372.678.560.000	-42%	-40.52%
Comex	191.804.687.241	554.406.033.136	224.422.730.282	189%	-59.52%
TOTAL	5.144.240.506.748	6.913.547.293.030	6.342.948.598.284	34%	-8.25%

Table 3 Disbursements credit and guarantees
Figures expressed in COP

By macro sectors, the disbursements for 2023 are distributed as follows:

Macro Sector	Total	Variation % vs 2022
Wholesale and retail trade; repair of motor vehicles	1.716.569.889.487	1,2%
Financial and insurance activities	1.052.062.302.900	-25,4%
Manufacturing industries	1.236.544.556.703	-6,5%
Transportation and storage	444.064.531.520	-38,6%
Other service activities	223.601.256.034	-31,6%
Administrative and support service activities	201.226.694.096	-35,8%
Construction	404.310.686.108	51,1%
Water; waste and waste water management	53.791.949.337	-64,1%
Agriculture, forestry, fishing and hunting	138.508.220.767	0,1%
Human health and social work activities	177.421.863.959	31,3%
Professional, scientific and technical activities	169.831.396.061	29,7%
Accommodation and food service activities	112.721.843.309	7,6%
Information and communication	100.375.310.898	52,4%
Real estate activities	170.122.381.980	190,9%
Education	47.031.367.736	46,3%
Arts, entertainment and recreation	15.351.992.221	-15,7%
Electricity, gas, steam, and air conditioning supply	33.290.485.498	254,9%
Mining and quarrying	42.642.638.540	425,8%
Public administration and defense; social security	2.150.624.381	-35,6%
Activities of households as employers	1.328.606.748	132,0%
Total	6.342.948.598.284	-8,3%

Of the total disbursements mentioned above, 90% was made through financial allies, and 10% was made through direct products.

Table 4 2023 Disbursements by Macro Sector
Figures expressed in COP

Investment in Funds

For 15 years, we have worked towards mobilizing resources to companies and ventures through capital funds. As part of the development of our strategic objectives, in 2009 we began investing in capital funds through the Bancóldex Capital Program, where we operated with our own resources and gained experience that allowed us to evolve in 2019 towards the structure of a Fund of Funds. From this structure, we manage resources from third parties (corporates, multilaterals, insurance companies, development agencies, and public

investors) towards investment in various types of capital funds, including acquisition and growth funds, venture capital funds, private debt funds, infrastructure funds, and impact funds.

Currently, the Fund of Funds has over COP 300 billion in assets under management.

Through our management in private capital funds, we contribute to achieving the following SDGs:



Graph 9 SDGs related to private capital funds

Business Strengthening

Committed to training, technical assistance, and partnerships for the development of entrepreneurial skills, we offer non-financial services to entrepreneurs through channels and tools for business strengthening.

- Financial education: We provide you with information that will allow you to update yourself on financial and management topics to improve your company or business.
- FINBI: Investment banking for SMEs, now SMEs in Colombia can access high-quality financial advisory services.
- Partnerships play a fundamental role in Bancóldex's role as a Business Development Bank, as they allow for efficiencies, reduce coordination failures, promote the exchange of knowledge, experiences, and novel approaches, and enhance the entity's ability to design innovative solutions.
- Technical assistance: With the support of experts, we accompany your company to enhance its growth.
- Tools: Bancóldex provides you with various tools to contribute to the growth of your company.
- Trasciende Program: An integral and efficient solution that allows access to and intelligent use of financing to achieve business growth and development.

Through our management in private equity funds, we contribute to the achievement of the following SDGs:



Graphic 10 SDGs related to non-financial services

4.2. Sustainability Strategy

GRI 2-22, 2-23, 2-24

Aligned with our corporate strategy, we strengthened the sustainability strategy, aimed at contributing to the goals of Agenda 2030, the Paris Agreement, and public policy.

Specifically, the sustainability strategy consists of the following four pillars aligned with the Sustainable Development Goals (SDGs):



Graphic 11 Sustainability strategy pillars

1

The foundations of our strategy consist of efficient management framing our activities and actions, as well as the identification and management of internal environmental impacts of our operation through the use of natural resources. This includes objectives for reducing carbon emissions and planning towards carbon neutrality. This component also incorporates internal practices of diversity, equity, and inclusion (DEI) for our human talent. Through these elements, we contribute to achieving the following SDGs:



Graphic 12 SDGs related to efficient management

2

Regarding environmental and social risk management, the Bank has an Environmental and Social Risk Management System, which meets the requirements of multilateral banking and is progressively aligning with international practices.



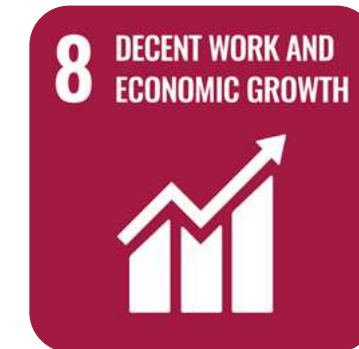
Graph 13: SDGs related to environmental and social risk management

3

Cross-cutting sustainable finance is integrated with the inclusion of financial products and support programs for portfolios that promote the financing of sustainable investments by Colombian entrepreneurs. Similarly, sustainable or conscious finance allows us to contribute to the consolidation of a model of sustainable economic development from a business perspective. This pillar consists of three components:

- **Green growth:** focused on efficiency and energy transition³, circular economy, and bioeconomy, which contribute to mitigation and adaptation to climate change⁴.
- **Social welfare:** oriented towards diversity and inclusion of vulnerable populations, with an emphasis on women.
- **Creative and cultural industries:** focusing on industries 4.0, tourism, fashion industry, and entertainment.

ECONOMY



SOCIETY



BIOSPHERE



Graph 14: Sustainable Development Goals (SDGs) related to sustainable finance

³For further information, please refer to the Glossary section of this report.

⁴Ibid.

4

Finally, as a fundamental part of ensuring sustainability and competitiveness, we have corporate governance that strengthens decision-making incorporating environmental and social criteria, which is also distinguished by its transparent, technical, and

entrepreneurial nature. Therefore, we constantly work to have a robust governance framework that is continuously strengthened and adapted to new challenges as part of our strategy.



Graph 15 SDGs related to corporate governance

4.2.1. Membership in associations and sectoral participation

GRI 2-28

We participate in different forums that allow us to position ourselves and manage opportunities for our benefit, as well as align with the best international standards and comply with relevant national regulations for the actions taken, including adherence to international principles and initiatives.

Sectoral participation

- › International Development Finance Club (IDFC)
- › Green Coalition for the Amazon
- › Finance in Common (FiC)
- › Latin American Association of Development Financial Institutions (ALIDE)
- › Green Climate Fund (GCF)
- › Organisation for Economic Co-operation and Development (OECD)
- › Latin American Network on Corporate Governance of State-Owned Enterprises
- › Latin American Corporate Governance Roundtable
- › Latin American Federation of Banks (FELABAN)
- › Latin American Private Equity & Venture Capital Association (LAVCA)
- › Institutional Limited Partners Association (ILPA)
- › Latin American Foreign Trade Bank (BLADDEX)
- › Pacific Alliance
- › Banking and Financial Institutions Association of Colombia
- › Colombian Institute of Corporate Governance

4.2.2. Relationship with stakeholders

GRI 2-29

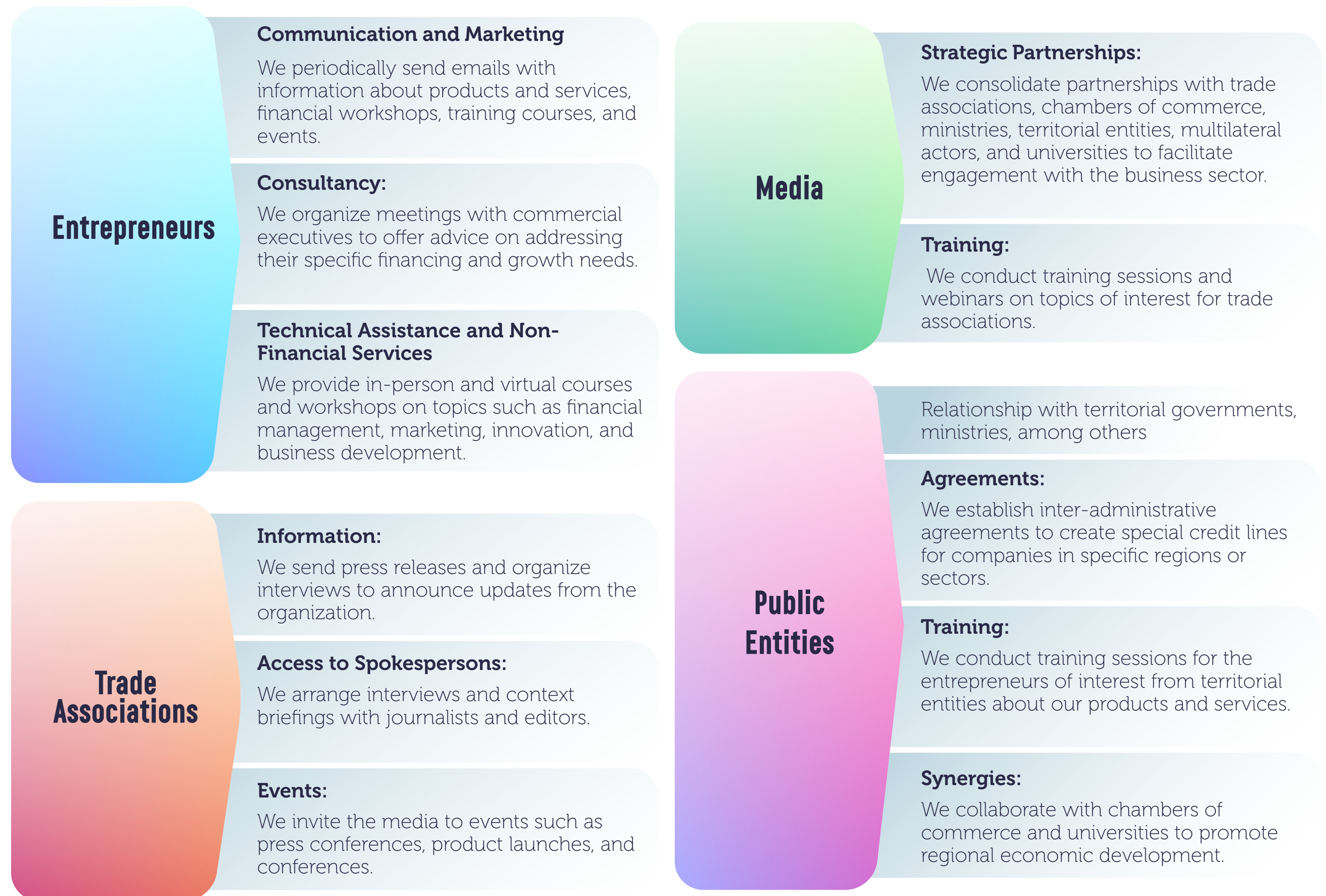
Graph 16 Relationship with stakeholders

Adoption and monitoring of international standards or principles

- › Basel Principles
- › International Finance Corporation (IFC) Sustainability Performance Standards
- › Financial Action Task Force (FATF)
- › Corporate Governance Development Framework
- › Sustainability Reporting Standards (GRI)
- › Sustainability Accounting Standards Board (SASB)
- › Task Force on Climate-Related Financial Disclosures | TCFD)
- › Common Principles for Climate Mitigation Finance Tracking
- › Common Principles for Climate Change Adaptation Finance Tracking
- › Social Bonds Principles (SBP)

Adoption and monitoring of national standards or principles

- › Green Protocol
- › Colombia's National Climate Change System (SISCLIMA)
- › Financial Management Committee (CGF)



4.3. Financial Sustainability and Business Profitability

Material Topic: Financial Sustainability and Business Profitability
GRI 3-3

Bancóldex's financial sustainability is essential to ensure the continuity of the business and continue supporting the country's business development. Framed within our development banking function, we provide the necessary financial tools for Colombian entrepreneurs to develop and consolidate their products and services.

Our main business unit is the loan portfolio, which represented 67% of total assets by 2023. Considering that a significant portion of our investment portfolio is intended to provide liquidity support to the loan portfolio, its integrity and optimal performance are the focus of our business and the primary tool through which we fulfill our mission to support the country's business development.

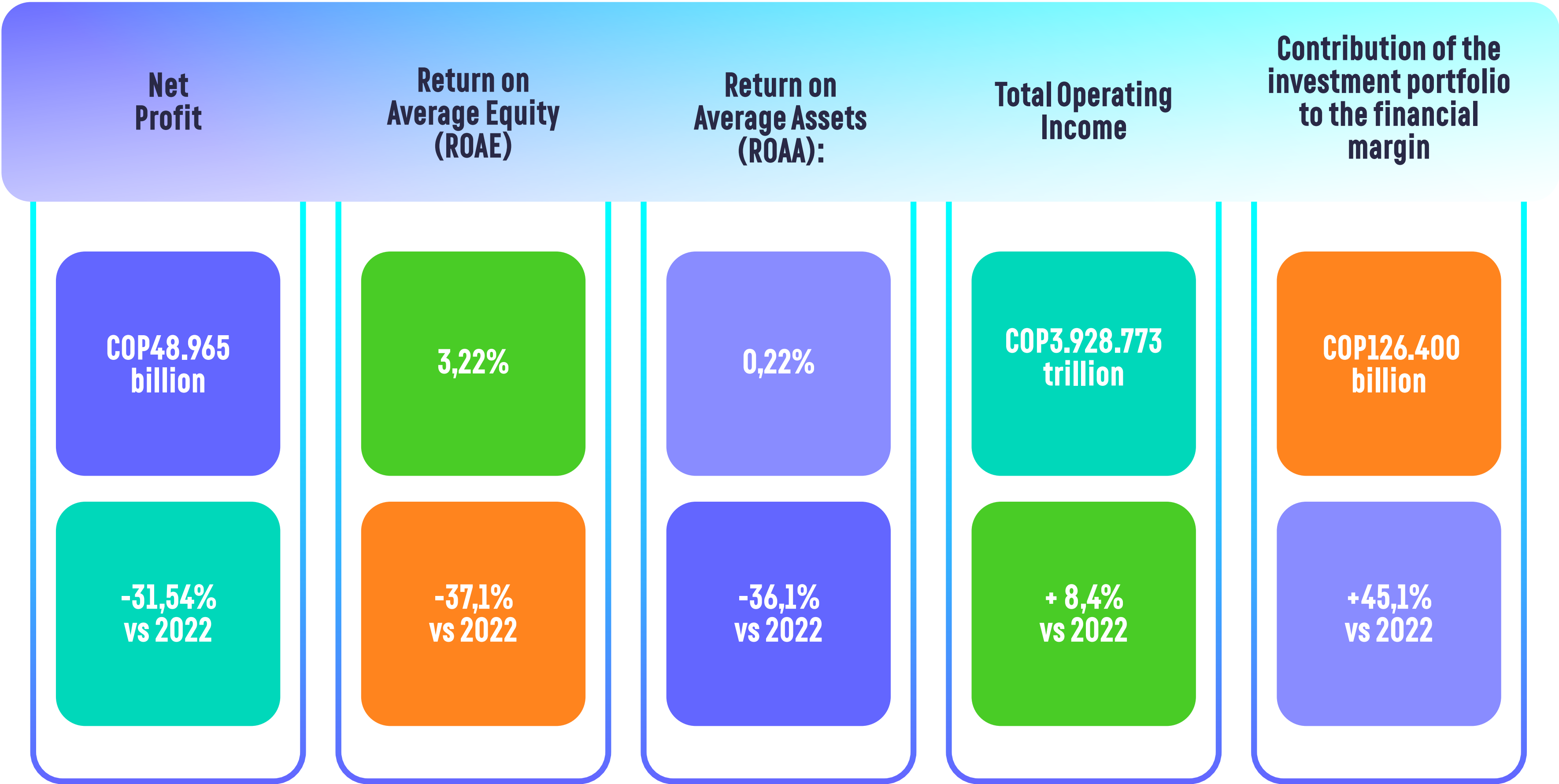
	2020	2021	2022	2023	Var%
Net Income	3,77 trillion	2,14 trillion	3,62 trillion	3,93 trillion	8,56%
Total Portfolio	7,58 trillion	7,15 trillion	8,51 trillion	7,78 trillion	-8,58%
Assets	10,3 trillion	10,3 trillion	12,69 trillion	11,55 trillion	-8,98%
Liabilities	8,80 trillion	9,0 trillion	11,27 trillion	9,97 trillion	-11,54%
Equity	1,57 trillion	1,30 trillion	1,41 trillion	1,59 trillion	12,77%
Net Profit	132.703 billion	55.318 billion	71.130 billion	48.695 billion	-31,54%
Disbursements	6,76 trillion	5,14 trillion	6,9 trillion	6,3 trillion	-8,70%

Table 5: Financial Statements Indicators

Figures expressed in COP

The net income increased by 8.5%, primarily due to the loan portfolio in pesos, which had a higher average balance of COP 0.7 trillion. Additionally, the contribution of the investment portfolio to the financial margin reached COP 126.4 billion, resulting in a positive growth of 45.1%, largely driven by the good performance of the strategic portfolio.

El 2023 estuvo caracterizado por un contexto económico nacional de desaceleración, con unas tasas de interés que se mantuvieron altas. Durante el periodo, el saldo de la cartera se contrajo en un 8,6% principalmente por el aumento de los prepagos, pese a esto, un aspecto a destacar fueron los desembolsos a través de intermediarios financieros que tuvieron un cumplimiento del 104% frente a la meta establecida.



Graph 17: Profit, profitability, and income

4.3.1. Value Generated (VEG)⁵

GRI 201-1

In 2023, we disbursed a total of COP 6.3 trillion, representing a reduction of 8.7% due to lower activity in the dollar loan portfolio. Regarding product dynamics, the growth of direct corporate loans is highlighted, with a 78.3% increase compared to 2022, as well as increases in Total Liquidity by 6.52%, and rediscounts and leasing by 2.33%. Below are the disbursement amounts by product for 2023.

	2022	2023	Var% (2022-2023)
Direct Consumer Loans	898.564.820.013	823.187.936.421	-8,39%
Direct Corporate Loans	89.869.410.051	160.266.743.265	78.33%
Direct SME Loans	255.999.117.078	155.984.209.288	-39.07%
Total Liquidity	321.465.652.957	342.434.284.341	6.52%
Rediscounts and Leasing	4.166.684.579.795	4.263.974.134.687	2.33%
Interbank Loans	626.557.680.000	372.678.560.000	-40.52%
Comex Loans	554.406.033.136	224.422.730.282	-59.52%
Total Disbursements	6.913.547.293.030	6.342.948.598.284	-8.25%

Table 6: Disbursements by Product 2023

Figures expressed in COP

⁵ For more information, please refer to the Glossary section of this report.

Economic Value Generated (EVG)	2021	2022	2023	Variation %
Credit Portfolio Margin	155.876 million	186.243 million	146.506 million	-21,3%
Portfolio	40.092 million	87.086 million	126.400 million	45,1%
Other Ordinary Income (Includes non-operating net income and exchange rate differences)	13.091 million	23.939 million	33.710 million	40,8%
Total Direct Economic Value Generated	209.06 million	297.268 million	306.616 million	3,1%

Table 7 Economic Value Generated (EVG)
Figures expressed in COP

In addition, disbursements under the direct loan modality were very similar to those of the year 2022 and again represented 10% of the total. This loan portfolio structure was supported by a funding strategy⁶ that includes, among other things, issuance of social bonds and credits with both local and international

financial institutions. The proportion of intermediated loans compared to direct loans was 84% and 16% respectively, maintaining the distribution from the end of 2022. This was done in a context where our objective was to reach an 18% share in this portfolio,

while keeping the intermediated loan balance stable. In response to this economic slowdown scenario, we identified an opportunity to increase rediscount placements through credit lines that supported liquidity for the business sector. This resulted in significant

placement amounts that maintained the portfolio shares. Regarding liabilities, we designed a strategy that included raising funds through bonds and credits with local and international financial intermediaries.

⁶ For more information, please refer to the Glossary section of this report.

For 2023, we highlight the strategy implemented for the investment portfolio, which contributed to a 45% higher financial margin compared to 2022. Similarly, there was a positive dynamic in the management of changes and derivatives, with a growth of 326% compared to 2022. Additionally, the Economic Value Generated (EVG) experienced a growth of 3.1%, reaching COP 306.616 billion.

Profit reached COP 48.695 billion, a figure representing a reduction of -32% compared to the previous year, mainly due to higher business taxes. With these results, the Return on Average Equity (ROAE)⁷ indicator was 3.22%, a performance lower than in 2022 but with a higher compliance than the budget (115%). Among other aspects, we highlight:

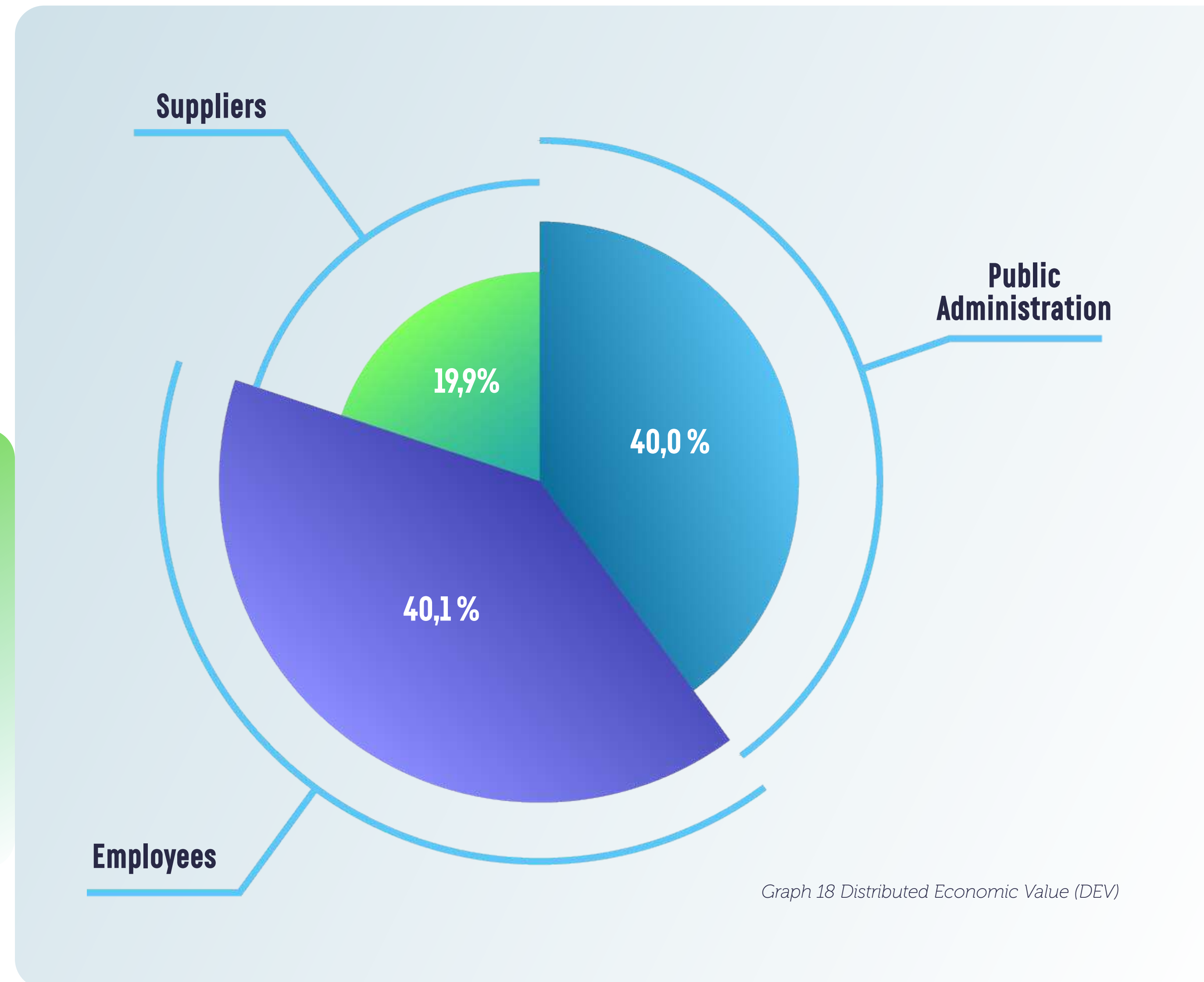
- The design of a line with preferential rates to support the liquidity of the business sector, which reached disbursement of around COP 2.5 trillion.

- A 45% growth in the business margin to manage the investment portfolio thanks to the defensive strategy structured by Treasury.

Due to the good results obtained by the subsidiary Fiducoldex, we obtained equity participation income totaling COP 10.292 billion.

4.3.2. Distributed Economic Value (DEV)⁸

The distributed economic value reached COP 199.910 billion, representing 65.2% of the economic value generated, primarily allocated to the public administration (39.9%), employees (40.1%), and suppliers (19.9%) as follows:



Graph 18 Distributed Economic Value (DEV)

⁷For further information, please refer to the Glossary section of this report.

⁸Ibid.

In 2023, there was an 18% growth in distributed value compared to 2022, and the stakeholder with the highest growth during the period was the public administration (24.7%), followed by employees (15.6%) and suppliers (10.9%). The increases for suppliers and employees are related to inflation, while the growth recorded for the public administration is associated with the increase in the ICA tax due to higher income, as well as the increase in the Financial Transactions Tax (GMF) due to higher cancellations of CDTs made.

Distributed economic value (DEV)	2021	2022	2023	Variation%
Suppliers	35.828 million	35.927 million	39.831 million	10,9%
Employees	61.861 million	69.400 million	80.195 million	15,6%
Public administration	39.268 million	64.052 million	79.884 million	24,7%
Total Distributed Economic Value	191.458 million	169.380 million	199.910 million	18%

Table 8 Comparison of Distributed Economic Value (DEV)

Figures expressed in COP

4.3.3. Retained Economic Value (REV)⁹

The retained economic value represented 35% of the economic value generated, totaling COP 109.706 million, indicating a 14.2% reduction compared to 2022.

Provisions, depreciations, and amortizations that were higher during the period accounted for 52.9% of the retained value. Finally, reserves constituted by legal reserves, investments, derivatives, and portfolio impairment represented 44.4%.

Retained Economic Value (REV)	2021	2022	2023	Variation %
Provisions, depreciation, and amortization	16.784 million	56.758 million	58.011 million	2,2%
Reserves	817 million	71.130 million	48.695 million	-31,5%
Total Retained Economic Value	17.602 million	127.889 million	106.706 million	-16,6%

Table 9 Comparison of Retained Economic Value (REV)

Figures expressed in COP

4.3.5. Goals and Challenges for 2024

For the year 2024, we have defined some important challenges in terms of economic performance:

- Our main objective will be to increase the loan portfolio balance by 11%.
- Maintain an adequate strategy to ensure proper dynamics of investment portfolios, to achieve a gross financial margin of COP 311.233 million, as well as a net profit of COP 41.071 million.
- Achieve a 19% growth in direct lending through a new commercial strategy focused on structured loans and leasing.

⁹For more information, please refer to the Glossary section of this report.

25 Corporate Governance and Ethics



5.1. Corporate governance

Material topic: Corporate governance and ethics
GRI 3-3; 2-23

An organized and solid corporate governance decisively contributes to our sustainability and competitiveness. To maintain the progress, we have achieved in this regard and work on its continuous improvement, we have mechanisms and practices that ensure a transparent decision-making process, as well as the availability of information and equitable participation for all stakeholders.

This structure and the work we have done over the years to strengthen the transparency and integrity of our decisions allow us to have a robust corporate governance recognized as a guarantee of suitability and objectivity in our operations, thus advancing the Bank's contribution to the following SDG goals:





	5.5 Ensure full and effective participation of women and equal opportunities for leadership (...) at the economic level.
	10.2 Enhance and promote social and economic inclusion (...) of all people, regardless of their age, sex, disability, race, ethnicity, origin, religion, economic situation, or other condition.
	16.6 Establish at all levels effective and transparent institutions that are accountable. 16.7 Ensure inclusive, participatory, and representative decision-making at all levels that respond to the needs.
	17.15 Respect the regulatory framework and leadership of each country to establish and implement policies for poverty eradication and sustainable development. 17.17 Encourage and promote the formation of effective partnerships in the public, public-private, and civil society spheres (...)la sociedad civil (...)

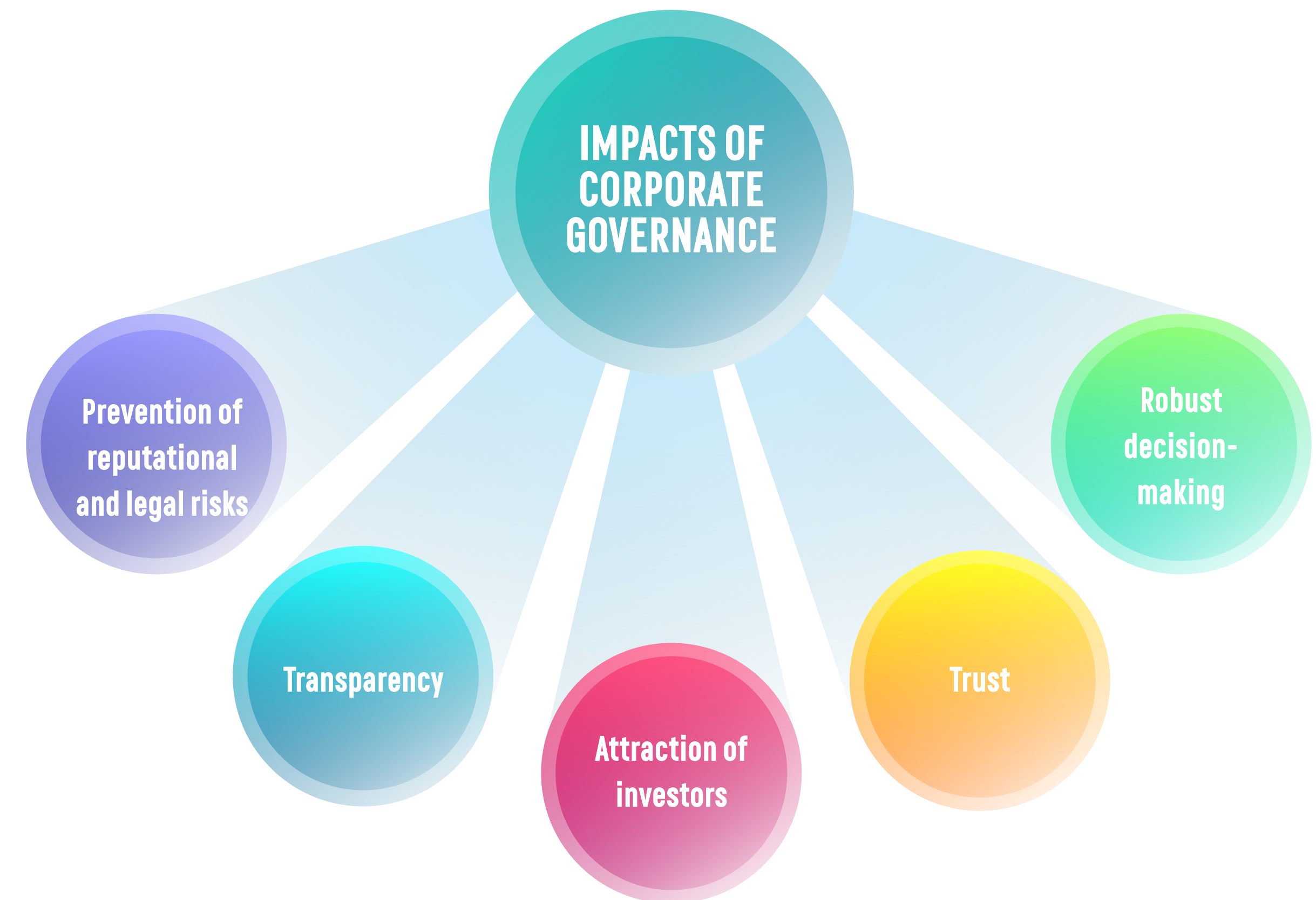
Table 10 SDG goals associated with the topic of Corporate governance and ethics

The corporate governance is broadly defined as the proper allocation of powers and responsibilities among the board of directors, management, and owners of a company. This definition recognizes that corporate governance is not just a set of external rules. It is a necessary business discipline to maintain a stable and productive relationship among the participants of any organization. Corporate governance, transparency, and accountability are more than compliance exercises; they are essential ingredients of good management and a requirement for the good health of organizations. (CAF 2012)¹⁰

In accordance with the above, it is essential to constantly communicate

the activities carried out in corporate governance to the Bank's stakeholders, with an emphasis on shareholders, investors, regulatory bodies, and the general public. To achieve this purpose, the Board of Directors, the Corporate Governance, Nominations and Remuneration Committee, and the President of Bancóldex prepare an annual corporate governance management report. This report, as of December 31, 2023, is available on the Bank's website and details the corporate governance structure, as well as the practices and management carried out during the year.

The management of corporate governance reflects the following impacts:



Graph 19 Corporate governance impacts

¹⁰ CAF - Development Bank of Latin America, Corporate Governance in Latin America. Importance for State-Owned Enterprises. Public Policies and Productive Transformation Series No. 6/2012 p. 13.

Here are the highlights of corporate governance management during 2023:

1 Functions at the Board of Directors level related to Environmental, Social, and Governance (ESG) issues.

We have consolidated responsibilities, assigned to the Corporate Governance Committee, for supervising and making decisions related to the Bank's ESG impacts. The Committee has promoted the implementation of sustainability strategy, encouraged the creation of financial and non-financial services supporting green growth and social welfare, as well as the establishment of a system for managing environmental and social risks of credit operations. These actions have been complemented by achievements in efficient resource management within the Bank, aimed at reducing the organizational carbon footprint and fostering a culture transformation among employees around the value of sustainability, while also striving for a more sustainable supply chain.

2 Country Code Ranking.

With an implementation percentage of 93.2%, in 2023, we reached the 9th position out of 128 securities issuers that complete the Corporate Governance Best Practices Implementation Report - New Country Code. The New Country Code is a tool applied by the Financial Superintendence of Colombia to assess the achievement of adequate corporate governance contributing to the fulfillment of objectives such as stability, security, and trust, promotion and development of the Colombian securities market, and protection of investors, savers, and policyholders.

3 First place in the "Board Recognition 2023" awarded by KPMG Board Leadership Center.

We received the first place in the "Board Recognition 2023" awarded by KPMG Board Leadership Center, which "aims to highlight Boards that, through their leadership and

commitment, are shaping a new standard in corporate governance". Document from the Memories of the 2nd Annual Board Leadership Center Congress Colombia. P. 9

4 Gender in the Board of Directors composition + DEI Policy.

The Board of Directors approved the Institutional Diversity, Equity, and Inclusion Policy whereby the Bank recognizes, values, and promotes diversity of all individuals and population groups in a healthy, safe, and tolerant environment, encouraging access to opportunities that drive the country's development, with an emphasis on supporting SMEs. In terms of governance, the Bank aims to adopt the DEI approach in the governance structure. As a result of this decision, combined with the guidelines of Law 2294 of 2023, the Bank's Board of Directors must be composed of at least 30% women.



5 Environmental, Social, and Governance Assessment by S&P Standard & Poor's.

The governance score was 65 out of 100. The report noted that "Bancóldex's corporate governance standards and practices generally align with Colombia's standards but lag behind global best practices." The overall result of this assessment was 68 points out of 100 across three dimensions: environmental (including internal and external management associated with factors such as greenhouse gases, water use, and waste disposal); social (workforce equity, customer commitment, communities); and governance (including factors such as transparency, codes and values, and financial and operational risk).

6 Robust training plan for the Board of Directors.

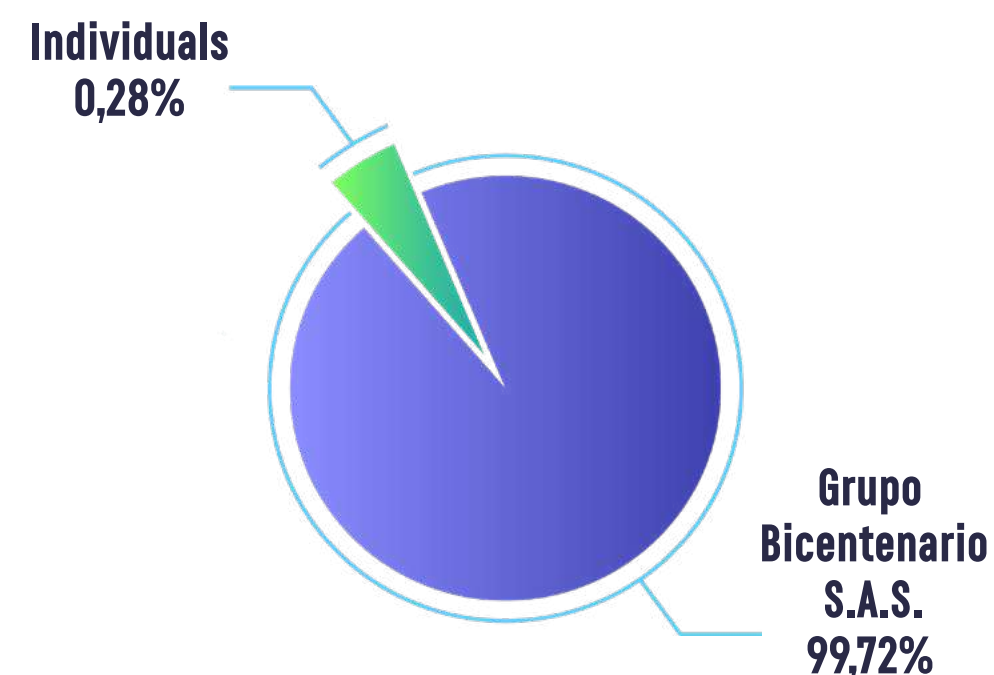
Annually, the Bank provides training and updating sessions for members of the Board of Directors on cross-cutting issues important for the organization and the environment.

5.1.1. Governance Structure.

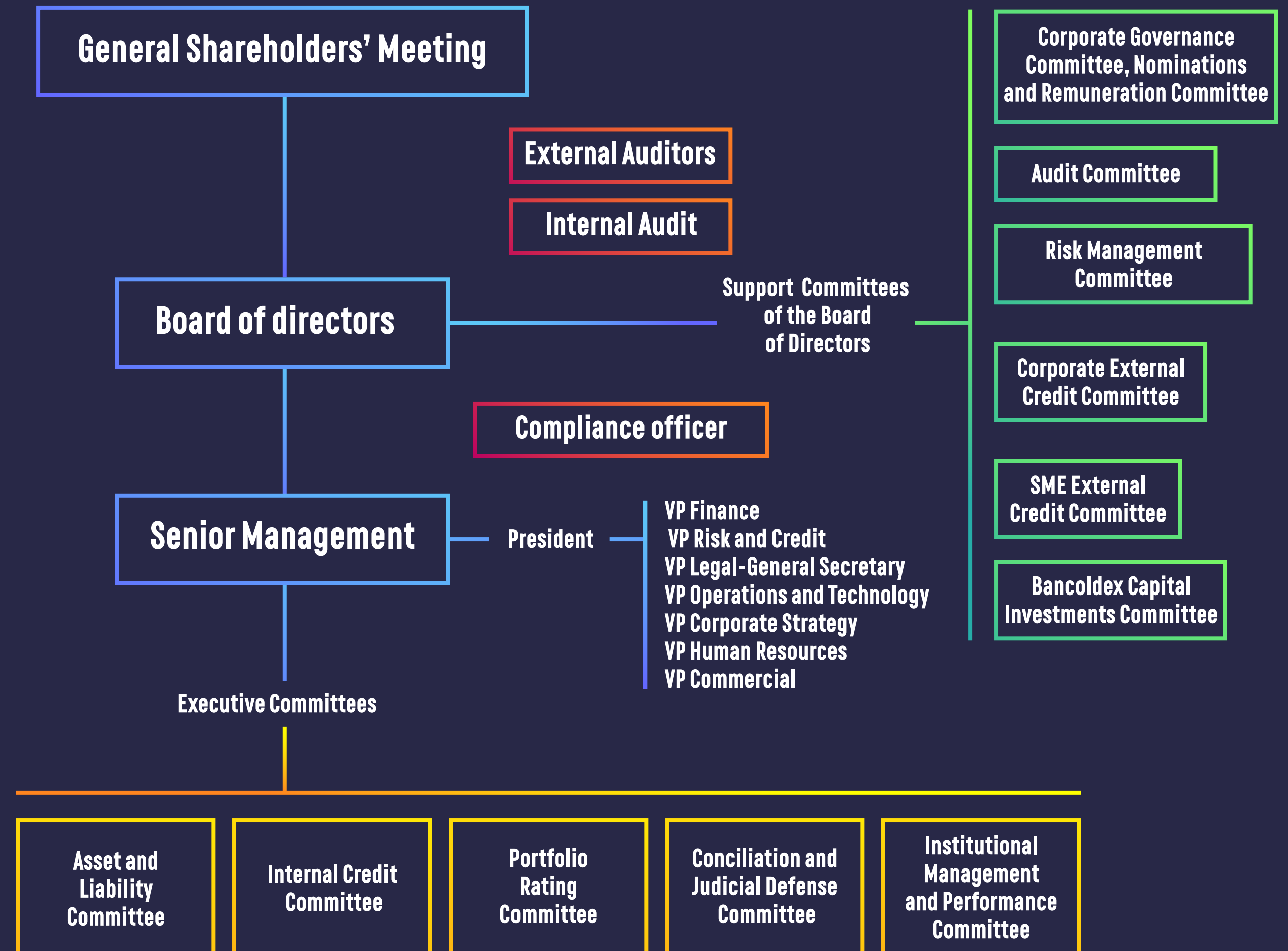
GRI 2-9; 2-11

Our highest governance body is Bancóldex's General Shareholders' Meeting, followed by the Board of Directors.

As of December 31, 2023, our Board of Directors was composed of 5 principal members and 5 alternates, 3 of whom are women, with a participation equivalent to 33% of the members; of the remaining 7 members, 6 are men and there is one vacant position. Both principal and alternate members attend the Board of Directors meetings.



Graph 20 Governance Structure and Reporting Line.



Graph 21 Governance structure and reporting line

It's important to mention that in 2023, the National Development Plan - Law 2294 of 2023 established in Article 369 the extraordinary powers for the President of the Republic in order to homogenize the provisions regulating the governance and regimes of public financial services entities. Given the above, Decree 1962 of 2023 was issued, which repealed subparagraphs 2, 3, 4, and 5 of Article 281 of Decree 663 of 1993, which regulated the composition of the Board of Directors of the Bank, and ordered to make the respective statutory reform to implement the adjustments, no later than at the ordinary meeting of the General Shareholders' Meeting. More information related to Decree 1962 of 2023 can be found in the Annual Corporate Governance Report.

As of December 31, 2023, the President of the Board of Directors of the Bank is the Minister of Commerce, Industry, and Tourism, and the President of Bancoldex is Javier Díaz Fajardo.	
Principal Members: 5	Alternate Members: 5
Germán Umaña Mendoza Minister of Commerce, Industry, and Tourism President of the Board of Directors	Francisco Barnier González Appointed by the Minister of Commerce, Industry, and Tourism
José Roberto Acosta Ramos Director General of Public Credit and National Treasury delegated by the Ministry of Finance and Public Credit	Piedad Muñoz Rojas Director General of State Holdings, appointed by the Minister of Finance and Public Credit
Saúl Pineda Hoyos Elected by the General Shareholders' Meeting	Astrid Martínez Ortiz Elected by the General Shareholders' Meeting
Vacant Private sector representative appointed by the President of the Republic	Carlos Alberto Garay Salamanca Private sector representative appointed by the President of the Republic
Adriana Senior Mojica Private sector representative elected by associations of exporters	Luis Gustavo Flórez Enciso Private sector representative elected by associations of exporters.

Table 11 Composition of Bancoldex's Board of Directors 2023

5.1.2. Functions of the Board of Directors

GRI 2-12; 2-13; 2-14; 2-16

The functions of this administration body can be grouped as follows:

non-delegable function of the board



Approve and periodically monitor the strategic plan, business plan, management objectives, and annual budgets of the company.

Annual meeting focused on strategy.



In the annual calendar, one or two meetings with a clear focus on defining and monitoring the strategy.

Approval of policies.



Financial and investment policies, remuneration, corporate governance, risks, information, among others.



Approval and oversight of the comprehensive risk management system and internal control system.



Regulating mechanisms for handling conflicts of interest.

Administrative functions, appointments.



Appointment of the president, compliance officer, internal controller, senior management, legal representatives, structure, human resources policy, among others.

Gráfica 22 Board functions

5.1.3. Designation and Selection of the Highest Governance Body

GRI 2-10

The statutory reform approved in March 2022 established the qualifications of the members of Bancóldex's Board of Directors and their appointment process. Among other characteristics, the Bylaws establish:

- As a collegiate body, the Board must have members with knowledge and experience in different regions and industries of the business sector; in finance, internal controls, and risk management; in the financial system, especially in the banking sector; in Microfinance; in public development policy or entrepreneurship; and in new technologies and sustainable development issues.
- At least one member of the Board must have experience and qualifications accrediting them as a financial expert.

- The Board must ensure that at least three women are included among its members.

Individually, all members of the Board of Directors must meet, among other requirements, the following qualifications:

- Professional experience of not less than 10 years in positions held at the first or second hierarchical level in public or private entities of the financial system or the securities market, or in private companies defined as large companies, or in public entities, multilateral development financial institutions, development banks, or reputable organizations promoting economic development, at the time of assuming the respective position.
- Experience of at least 5 years as a member of boards of directors in public or private entities, multilateral development financial institutions, development banks, or reputable organizations promoting economic

development.

The statutory reform also formalized a definition of enhanced independence, stronger than that established by paragraph 2 of article 44 of Law 964 of 2005. For the purpose of certifying compliance with the general profile of all members and the independence requirements, candidates must be evaluated by Bancóldex's Corporate Governance Committee or the Committee acting on its behalf, and at least 2 out of the 5 lines of the Board of Directors must meet the independence profile defined in these bylaws.

It is important to mention that on November 15, 2023, Decree 1962 of 2023 was issued, which established some rules for the homogenization of the corporate governance of public financial services entities, applicable to Bancóldex, the implementation of which is in process, on the terms provided for in said regulation.

5.1.4. Committees of the Highest Governance Body

GRI 2-10

At the Banco de Desarrollo de los Colombianos, we have committees that support decision-making and the management of impacts by the Board of Directors on the following topics:

1 Corporate Governance - Nominations and Remuneration:

Supports compliance with the corporate governance practices adopted by the Bank and the provisions contained in its Code of Good Governance, as well as the implementation of good corporate practices. This committee also supports the Board of Directors in appointments and determining remuneration and in sustainability, climate change, digital transformation, and innovation matters.

2 Corporate External Credit Committee:

Assists the Board of Directors in fulfilling its responsibilities for

credit limits approvals and credit operations.

3 Risk Management Committee

Supports compliance with supervisory responsibilities regarding risk management.

4 Audit Committee:

Supports the Board of Directors in its supervisory function by evaluating accounting procedures, the relationship with the External Auditor, and, in general, reviewing the Internal Control System.

5 Capital Investments Committee:

The objective of this Committee is to assist the Board of Directors in fulfilling its responsibilities for policy and action approvals regarding investments in capital funds and co-investments.

5 External SME Credit Committee:

The objective of this Committee is to assist the Board of Directors in



fulfilling its responsibilities for direct credit approvals, leasing operations, modifications, and restructurings according to the approval authority level granted by the Board of Directors to this Committee.

5.1.5. Conflict of Interest

GRI 2-15

Bancóldex's Code of Good Governance establishes mechanisms for the prevention, management, and disclosure of conflicts of interest among shareholders and administrators, directors, and employees of the Bank, stating that it is the responsibility of Bancóldex's management to avoid all circumstances that may generate conflicts of interest among shareholders and administrators, directors, and employees of the Bank.

The Code also states that administrators cannot acquire shares of the Bank while in office and, except in cases of legal representation, cannot represent different shares at shareholders' meetings while in office.

When a situation arises that generates conflicts of interest among shareholders and administrators, directors, and employees of the Bank, the Board of Directors will evaluate the conditions and, if appropriate, request the Legal Representative to convene a meeting of the General Assembly of Shareholders to resolve the conflict. In any case, the mechanisms established in the Bank's Bylaws will be accepted as conflict resolution mechanisms.

Additionally, we have a policy and procedure for disclosing conflicts of interest, which establishes it as a duty of the members of the Board of Directors, administrators, employees, and shareholders to disclose any legal or economic relationship that may create a conflict of interest between their personal interests and those of Bancóldex when dealing with contractors, buyers, sellers, and anyone else doing or intending to do business with Bancóldex or with companies in which it has a direct or indirect interest.

Furthermore, in 2023, the Board of Directors approved a policy for disclosing personal investments and conflicts of interest of the

members of the Board of Directors of the Bank who are Natural Persons Linked - PNV, and for disclosing their related parties who are clients of Bancóldex or have the condition of PNV in another intermediary, in order to prevent and/or manage conflicts of interest in which they may be involved, as well as to adopt mechanisms for disclosing situations that may generate potential conflicts of interest in their personal investments, as well as their related parties who are clients of Bancóldex or have the condition of PNV in another intermediary, and which may at some point affect the objectivity that should characterize their contractual relationships, in carrying out their functions regarding the securities market, in accordance with the provisions of the Self-Regulatory Market Authority - SRMA.

5.1.6. Collective Knowledge of the Highest Governance Body

GRI 2-17

The Board of Directors of Bancóldex may request the hiring of external



advisors or consultants by the Administration to provide additional elements of judgment for making certain decisions by the executives.

Annual updating or training sessions of the members on current topics or relevant issues are also included as part of external advice. In 2023, these sessions addressed the following topics:

i

Sustainable development and aligning financial flows with the 2030 Agenda and the Paris Agreement:

The Board of Directors participated in the fourth edition of the Summit on Common Finance (FiCS), held in Cartagena, Colombia, from September 4th to 6th, 2023. In this event, Bancóldex served as a host along with the Inter-American Development Bank (IDB) and the Latin American Association of Development Financial Institutions (ALIDE). The summit was attended by high-level government officials, delegates from international organizations, representatives from the private sector, and civil society.

The sessions focused on four main themes:

SMEs and financial inclusion

Climate and biodiversity

Sustainable infrastructure

Institutional agenda of Productive Development Banks (PDBs).

ii

Governance of artificial intelligence and its incorporation into corporate strategy:

Based on the recommendation of our Corporate Governance Committee, on November 27, 2023, we held the annual update session for the Board of Directors of Bancóldex and its subsidiary, Fiducoldex.

iii

Conference on climate issues – Inter-American Development Bank:

On August 17, 2023, the Corporate Governance Committee and the Senior Management received an exclusive conference prepared by the IDB for Bancóldex. The aim was to address key issues related to sustainable development and conduct a self-assessment for Bancóldex on climate risks and opportunities for financial institutions, general concepts about climate change, and market and regulatory trends, among others.

5.1.7. Evaluation of the performance of the maximum governing body

GRI 2-18

The Good Governance Code stipulates the following evaluation mechanisms for the Board of Directors:

Self-evaluation:

The Board of Directors of Bancóldex and its subsidiaries must establish annual self-evaluation mechanisms for the management as a collegiate body, as well as for its committees and individually considered members, including peer evaluation and making improvement proposals when deemed necessary.

External evaluation:

An external evaluation must be conducted at least every 2 years.

As a result, in 2023, the Board of Directors conducted its own self-evaluation for the year 2022, and an external evaluation was conducted by the General Directorate of State Holdings of the Ministry of Finance and Public Credit. Both exercises

were carried out at the end of the second semester of the year, considering that new members were incorporated into the Board at the end of 2022. The results of the external evaluation will be shared with the Corporate Governance Committee and the Board of Directors in the first semester of 2024.

Regarding the results of the self-evaluation, it is worth noting that the six parts evaluated obtained an average rating of 4.3 out of 5.

The Corporate Governance Committee conducts the corresponding analysis to address those areas for improvement.

5.1.8. Bancóldex's Participation in Corporate Governance Initiatives or Associations

GRI 2-23

We are aware of the importance of nurturing our Corporate Governance by being present in other forums, where we not only have the opportunity to share the experience as a Development Bank of Colombia but also to promote good practices in corporate governance,



Graph 24 Self-Evaluation Components

environmental and social aspects, technologies, risks, sustainable development in emerging markets, among others. Therefore, in 2023, we had significant participation in various instances such as:

KPMG Board Leadership Center

We are part of the KPMG Board Leadership Center Colombia, a platform that seeks to promote good corporate governance practices and consolidate “a community of board members and companies to strengthen the corporate governance of organizations, generating spaces for networking and timely feedback to manage the challenges they face.”

In 2023, we participated in the 2nd Annual Congress of the Board Leadership Center Colombia, held on December 5, 2023. Panels were conducted and discussions were held on environmental, social, and governance issues, emerging technologies, risks, purpose-driven strategy, diversity, equity, inclusion, culture, and good corporate governance.

During this congress, we were awarded the first place in the “Board

Recognition 2023” by the KPMG Board Leadership Center, which aims to highlight boards that, through their leadership and commitment, are setting a new standard in corporate governance.

Criteria evaluated for the KPMG recognition:

➤ DIVERSITY, EQUITY, AND INCLUSION IN THE BOARD:

Inclusion of a variety of perspectives, experiences, backgrounds, gender, and skills.

➤ INTERNAL SUPERVISION METHODOLOGY:

Procedures and methods the Board uses to supervise and evaluate delegated responsibilities.

➤ ADEQUATE DOCUMENTATION:

Documentation supporting strategic decisions. Precise minutes, analysis, and records.

➤ EVALUATION METHODS

Methods for assessing the effectiveness of the Board, its performance, and its contribution to the organization’s success.

➤ REGULAR CHANNEL FOR FACILITATING DYNAMISM

Existence of an effective communication channel within the Board that facilitates open discussion, collaboration, and efficient decision-making.

Colombian Institute of Corporate Governance

We are founding members of the Colombian Institute of Corporate Governance and currently participate on its Board of Directors. Through this nonprofit association, we seek to promote greater knowledge of corporate governance in the country and the promotion of best practices in this area for all types of organizations, regardless of their size, legal nature, or sector. Dr. José Alberto Garzón, Vice President Legal and General Secretary of the Bank, was appointed as President of its Board of Directors in 2023.



“Corporate Governance Development Framework”

Since September 2011, we have subscribed to the “Corporate Governance Development Framework” agreement with 29 other international financial development institutions to establish a common set of guidelines supporting sustainable economic development in emerging markets through corporate governance.

The signing of the agreement entails a commitment from each party to integrate corporate governance into investment operations, identify and assign an internal function for the implementation of these guidelines, provide training, and submit an annual report on the implementation of each entity’s policies.

The main event for this agreement for the year 2023 was the seminar held on June 27, which discussed the update of the “Corporate Governance Progress Matrix” developed a decade ago and is in the process of updating to incorporate provisions on environmental and social governance, climate governance, stakeholder participation governance, diversity and inclusion equity, and corporate integrity governance.

Latin American Network of Corporate Governance for State Entities

We have been members of the Latin American Network of Corporate Governance for State Entities since 2012. This network aims to promote good governance in public entities in the region through the exchange of experiences and knowledge about policies, practices, and reforms, using the guidelines developed by two multilateral organizations (CAF - Development Bank for Latin America and the Organization for Economic Cooperation and Development (OECD)) as the main reference framework.

In 2023, we participated in the IV corporate governance meeting held in December. Dr. José Alberto Garzón, Vice President Legal and General Secretary of the Bank, was one of the panelists on this occasion.

Latin American Corporate Governance Roundtable

We participate in this roundtable aimed at promoting corporate governance in Latin America through the exchange of experiences and knowledge about policies

and practices in this area. The Latin American Corporate Governance Roundtable was established in 2000 by the Organization for Economic Cooperation and Development (OECD) and the World Bank.



5.1.9. Compensation Policies and Process for Determining the Salary of the Governing Body and Senior Management

GRI 2-19; 2-20

The compensation for the Board of Directors and senior management is established in accordance with the provisions of Decree Law 663 of 1993 (Organic Law of the Financial System) and the Bylaws of the Bank:

Senior Management:

In accordance with the provisions of articles 285, paragraph 2 and 3, of Decree Law 663 of 1993 (Organic Law of the Financial System), the labor relations regime and acts and contracts of the Bank are of private law. In this sense, the remuneration scheme for all employees of the Bank consists of a fixed remuneration and a variable remuneration, not constituting salary but provided at the discretion of the Bank based on the fulfillment of results and individual performance, requirements that cover members of the Senior Management.

Board of Directors:

According to the provisions of the Bylaws of the Bank, it is an exclusive and non-delegable function of the General Shareholders' Meeting to approve the general policy of remuneration of the Board of Directors, following the procedure established in Decrees 2561 of 2009 and 2180 of 2018, or any regulations replacing them, according to which a methodology is applied based on the level of assets of the entity.

Additionally, in Bancóldex, we directly assume the following expenses, provided they are necessary for the exercise of the functions of the Board of Directors and Board Committees:

- Accommodation expenses, air or ground transportation expenses, in accordance with the Bank's travel policy, so that they can fully perform their functions. (Board members do not receive per diems).
- Expenses related to update conferences approved by the Corporate Governance Committee and the hiring of external advisors, required by

the Board as a collegiate body to make a decision.

5.2. Ethics Management

GRI 2-25; 2-26; 2-27; 205-1; FN-CB-510a.2; FN-IB-510a.2

Ethics serve as the primary guide to steer our actions and define how we should act in Bancóldex or on its behalf, through compliance standards, ethical principles, and corporate values. We have an Ethics Code that all members of the Board of Directors and employees must know and adhere to, which has been published and socialized with stakeholders.

At Bancóldex, we also work to ensure the proper management of the risk of Money Laundering,

Terrorism Financing, and the Proliferation of Weapons of Mass Destruction (ML/TF/WMD), under parameters of integrity and ethics. This factor impacts the generation of transparent business, contributes to achieving the objectives of the Entity, and mitigates potential risks that could cause disruptions in our finances or in the Bank's reputation, as well as in our ability to add value to the Colombian business sector and build a better country.



Table 12: Impacts of Ethical Management



Graph 25 Achievements in Ethical Management 2023

In addition to our Code of Ethics, Bancóldex has an ethics hotline, a mechanism that allows any member of the institution to report irregularities or actions that raise doubts regarding the Bank’s principles of conduct.

100% of external operations undergo a monitoring process, which includes specific anti-corruption lists in accordance with the OECD mandate; no alerts were identified against these lists.

5.2.1. Communication, training on anti-corruption policies and processes, and corruption cases

GRI 205-2; GRI 205-3; FN-CB-510a.1; FN-IB-510a.1

We provide training sessions on anti-corruption policies, processes, and ethics topics, which contribute to preventing cases in this regard. These sessions were directed to both senior management and our employees, as follows:


	Assistants Participation	Percentage
Senior Management	9	100%
Employees	429	100%

Table 13 Anti-corruption communication and training in 2023

For 2024, we aim to maintain our 100% coverage and participation in communication and training related to these topics. It’s important to mention that during 2023, we didn’t register any cases of corruption, nor did we incur any monetary losses as a result of legal proceedings related to fraud, insider trading, antitrust, unfair competition, market manipulation, malpractice, or other laws or regulations related to the financial industry.

Likewise, we didn’t make any payments as a result of legal proceedings related to professional integrity, such as compliance with an ethical code regarding transparency and disclosure, and taking measures to prevent conflicts of interest, false statements, and negligence, including the duty of diligence.

Additionally, we contributed to achieving the goals of SDG 16:



16.5 Substantially reduce corruption and bribery in all their forms

16.6 Develop effective, accountable, and transparent institutions at all levels.

16.7 Ensure responsive, inclusive, participatory, and representative decision-making at all levels.

Table 14 SDG Goals Associated with Ethical Management



Achievements in 2023 for Strategic Focus Areas

As mentioned in the chapter “Our Strategy,” the Bank has defined 4 strategic focus areas that guide its purpose. Below are the achievements and management of each of these focus areas.

6.1. Supporting Sustainable Development

Material Issue: Sustainable Finance and Responsible Investments
GRI 3-3

This focus area is developed through Bancóldex’s sustainability strategy, which aims to contribute to the achievement of environmental and social public policy goals, the Paris Agreement, and the 2030 Agenda. For this reason, this strategy consists of four pillars aligned with the Sustainable Development Goals (SDGs):



Graph 26 Bancóldex Sustainability Strategy

In relation to the pillar of ‘Sustainable Finance,’ public development banks are called upon to mobilize financing and technical assistance resources that contribute to closing environmental, social, and economic gaps according to each country’s realities.

In the case of Bancóldex, the entity focuses on designing financial and non-financial instruments aimed at the Colombian business sector, with an emphasis on SMEs. The pillar is divided into three cross-cutting components: (a) green growth, (b) social well-being, and (c) culture for sustainability¹¹, whose investment areas and prioritized populations are highlighted below:

¹¹ This pillar was called “Creative and cultural industries” but, following the mid-term review of the corporate strategy, it was transformed into “Culture for sustainability.”

Sustainable Finances

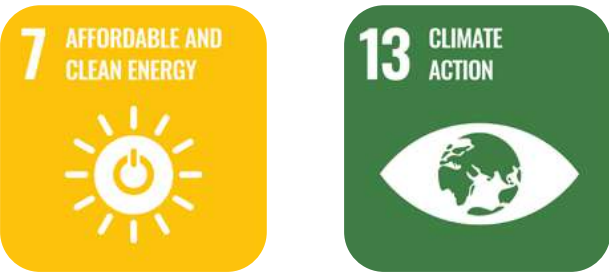
In the third pillar of the sustainability strategy associated with **sustainable finance**, Bancóldex has identified the following strategic bets for 2026 aligned with the goals of the SDGs

GREEN GROWTH

Adaptation measures for climate change:



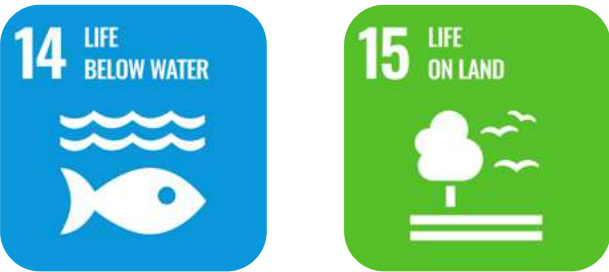
Decarbonization: Efficiency and Fair Energy Transition



Circular Economy



Bioeconomy



Social Welfare

Diversity, equity and inclusion

Gender, ethnic groups and origin, age, disability, LGTBIT+, Peace process



CULTURE FOR SUSTAINABILITY

Sustainable Tourism

Cultural Manifestations



Graph 27 Sustainable Finance Components

In this pillar, Bancóldex has three working perspectives:

➤ **Funding perspective:**

aims to channel concessional resources and international cooperation from multilateral banks, sustainable funds, international cooperation agents, issuance of thematic bonds in the capital market, among other instruments.

➤ **Credit perspective:**

focused on structuring financial products and technical assistance programs for the business sector to undertake: (i) investments in climate risk and opportunity management. The Bank will also manage the financed emissions from its portfolio and establish metrics and objectives for this purpose, and (ii) adopting the DEI approach in its internal operations and projects to be financed.

➤ **Capital perspective:**

incentivizing investment with a sustainable impact view towards innovative ventures, traditional microenterprises, and large companies.

6.1.1. Green Growth

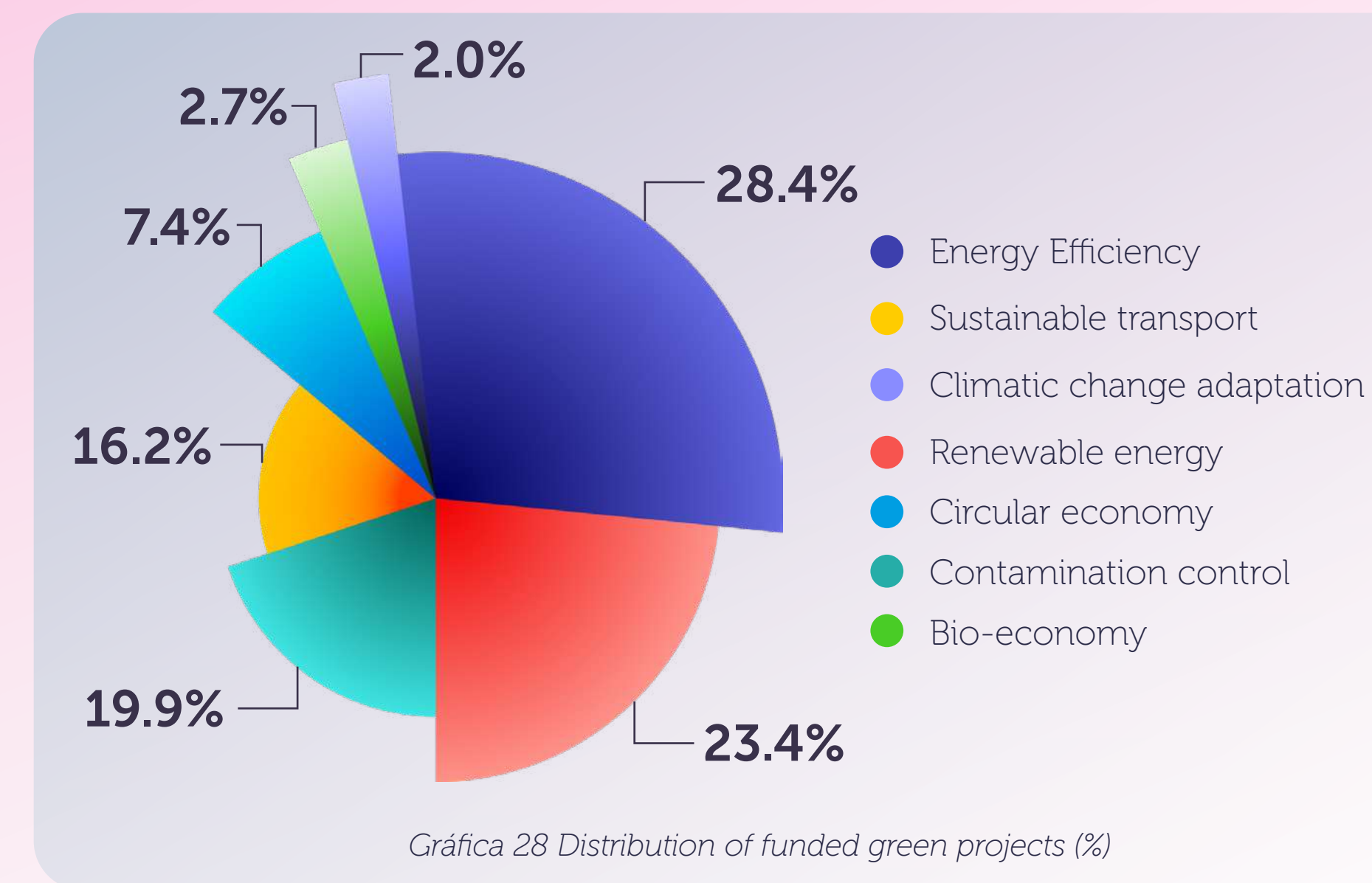
In 2023, we closed the year with a green portfolio of COP 393.631 billion and disbursed resources worth COP 195.166 billion for the financing of 552 projects with 606 operations. Beneficiary companies by size were distributed as follows: 33% microenterprises, 30% small, 35% medium, and 2% large companies.

It's worth noting that in 2023, Bancóldex financed operations with average disbursements of COP 322 million, while in 2022, it was COP 105 million, which is why the number of beneficiary companies in 2023 is lower than in 2022. In 2023, there was a lower dynamism in placements through microfinance companies that have a greater presence in the regions and significant behavior in rediscounting.

In terms of sectors, the four economic sectors that accounted for 76.77% of green disbursements

were: manufacturing industries (26.77%), trade (22.09%), wastewater, waste, and pollution (17.60%), and transportation and storage (10.30%). Similarly, a regional coverage of 81.8% was reached, meaning that companies located in 27 out of 33 departments, including Bogotá D.C., were financed.

The following graph shows the typologies of funded investments:



The green projects are aligned with Colombia's Green Taxonomy of the Financial Superintendence of Colombia (SFC) by 17.8%, considering that, as of the date of this report, some topics are still under development by the SFC such as climate change adaptation, circular economy, and bioeconomy. In 2024, Bancóldex will continue to advance the necessary actions to increase the alignment of its portfolio with the TVC, recognizing that there are significant challenges in the existing SME segment to promote investments with environmental value.

Financial Products

In order to promote investments in green projects, in addition to having the Bank’s product portfolio, the following were included: (a) special credit lines for financing climate change projects (mitigation and adaptation), circular economy, and bioeconomy under rediscount and microfinance mechanisms, and (b) a dedicated program for direct SME credit. The COP 195.166

billion disbursed in 2023 were distributed as follows: COP 122.961 billion were channeled through dedicated and special green credit lines and COP 72.205 billion through other available lines in Bancóldex’s portfolio. The disbursements of the dedicated and special green credit lines are listed in the table below:

Area	Line	Disbursements	Partner	Impacts
Climate Change Mitigation	Forward Credit Line 2022 Disbursements in the first half of 2023	COP 23.584 billion	Ministry of Commerce, Industry, and Tourism	12.59 GW/year of energy saved from conventional sources. 7,558 tons of CO ² avoided.
	Energy Efficiency and Renewable Energy Credit Line BID- Bancóldex	COP 16.173 billion	Inter-American Development Bank (IDB)	10.21 GW/year of energy saved from conventional sources. 2,072 tons of CO ² avoided.
	Conscious Companies Credit Line	COP 585 million	Bancóldex Resources	0.36 GW/year of energy saved from conventional sources. 73.63 tons of CO ² avoided.

Climate Change Mitigation	Sustainable Forward Credit Line 2023 Disbursements in the second half of 2023	COP 63.748 billion	Ministry of Commerce, Industry, and Tourism	20.46 GW/year of energy saved from conventional sources. 4,155 tons of CO ² avoided.
	Bancóldex More Sustainable Credit Line	COP 3.368 million	Bancóldex Resources	2.47 GW/year of energy saved from conventional sources. 500 tons of CO ² avoided.
	Bogotá High Impact Credit Line	COP 300 million	Bogotá District Mayor's Office	8,064 kilograms of CO ² avoided
	NAMA Program - RAEE Managers Credit Line	COP 1.900 billion	GIZ and Mitigation Action Facility (MAF)	resources Electrical and Electronic Waste Managers (RAEE).
	NAMA Program	COP 4.000 billion	GIZ and Mitigation Action Facility (MAF) resources	Domestic refrigerator producers
Climate Change Adaptation	Sustainable Forward Credit Line 2023	COP 3.116 billion	Ministry of Commerce, Industry, and Tourism	699,775 m ³ /year of water saved from water bodies.
	Microfinance Line for Ecosystem-based Adaptation Measures (EbA)	COP 1.000 billion	United Nations Multi-Donor Fund	
Bioeconomy	Bioeconomy Line CTI	COP 5.185 million	Ministry of Science, Technology, and Innovation	4 companies with innovation projects in bioeconomy

Table 15: Disbursements through dedicated and special green credit lines

Within the framework of the NAMA program “Domestic Refrigeration in Colombia,”¹² there was also the replacement of 7,434 domestic refrigerators through technology retailers between 2022 and 2023.



Table 16: Consolidated 2023

	2021	2022	2023	Variation (2022- 2023)
Disbursement to green growth projects (COP million)	COP 133.657	COP 176.094	COP 195.166	10,83%
Projects with environmental benefits financed (number of companies)	1.159	1.603	552	-62,2%

Table 17 Green Growth Disbursements



Graph 29: Green Growth Targets for 2026

¹² The NAMA Support Project for the domestic refrigeration sector (“NAMA project”), funded by the NAMA Facility, supports the implementation of the NAMA for the domestic refrigeration sector in Colombia. In 2017, the Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ) was designated as the implementing agency for the project in Colombia. The NAMA project aims to drive the transformation of the domestic refrigeration sector by facilitating the production and introduction of energy-efficient and environmentally friendly domestic refrigerators into the Colombian market, as well as the environmentally sound disposal of old domestic refrigerators. For more information, visit: <https://www.bancoldex.com/es/soluciones-financieras/lineas-de-credito/programa-para-la-promocion-de-la-sustitucion-de-neveras-domesticas-bono-nama-4122#:~:text=El%20proyecto%20NAMA%20busca%20impulsar,de%20los%20refrigeradores%20dom%C3%A9sticos%20antiguos>

6.1.2. Social Well-being

6.1.2.1. Bancóldex Committed to Social Bonds Issuance in Colombia

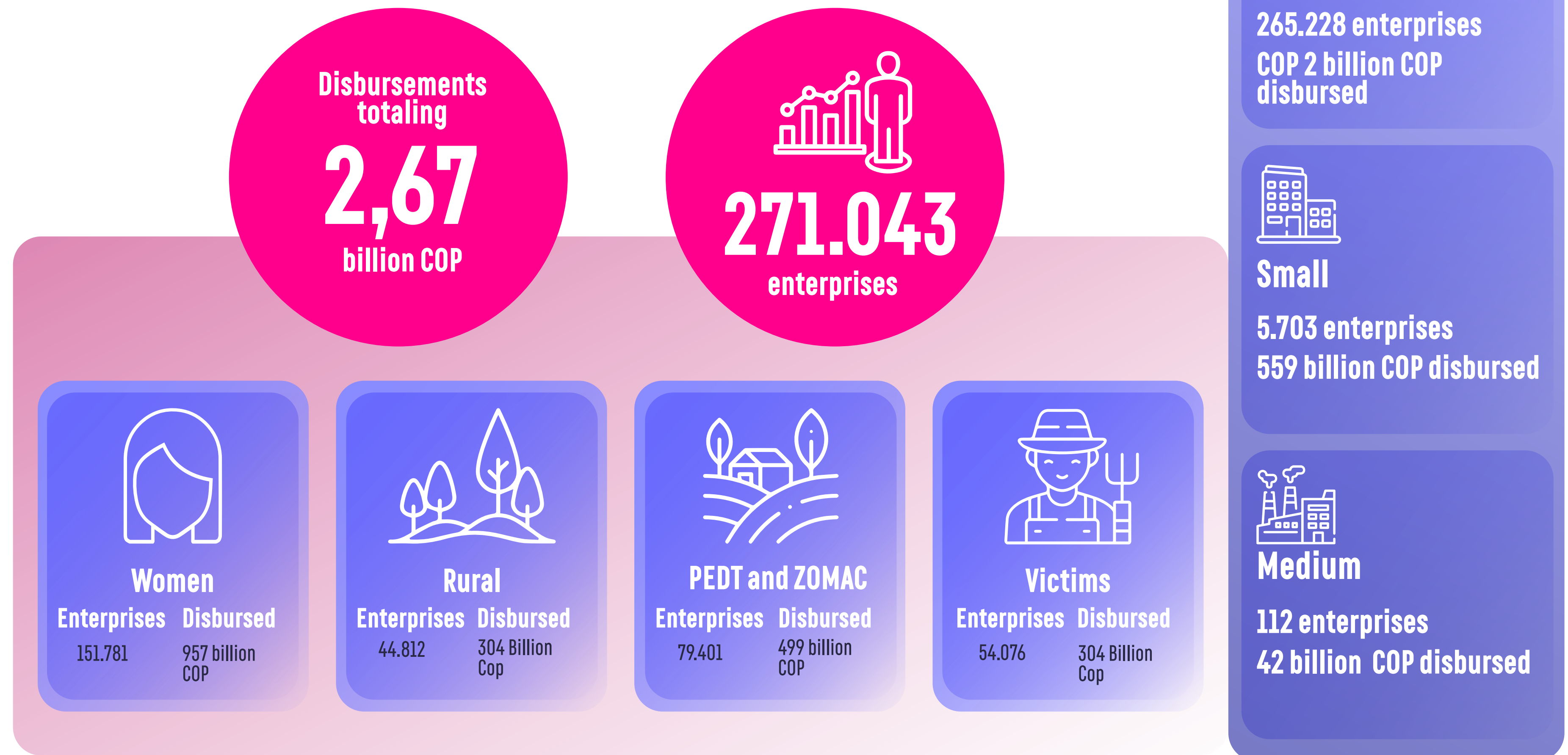
Bond issuances are an investment alternative that allows investors to benefit from profitability, low risk due to the issuer's backing (AAA rating), and contribute to the economic and social development impact of the country. With these issuances, Bancóldex seeks to involve the private sector in financing sustainable economy and business development in the country. Bancóldex is a pioneer in the local securities market for labeled bond issuances, conducting the first issuance of Green Bonds, Social Bonds, and Orange Bonds in the country through the Colombian Stock Exchange on August 9, 2017, May 24, 2018, and November 29, 2018, respectively. Prior to the 2023 social bond issuance, Bancóldex made two additional issuances:

- 2018: "Social Bonds: A Socially Responsible Investment"
- 2022: "Social Bonds: Growing with Equity"

With the following achievements:

Achievements of Previous Issuances

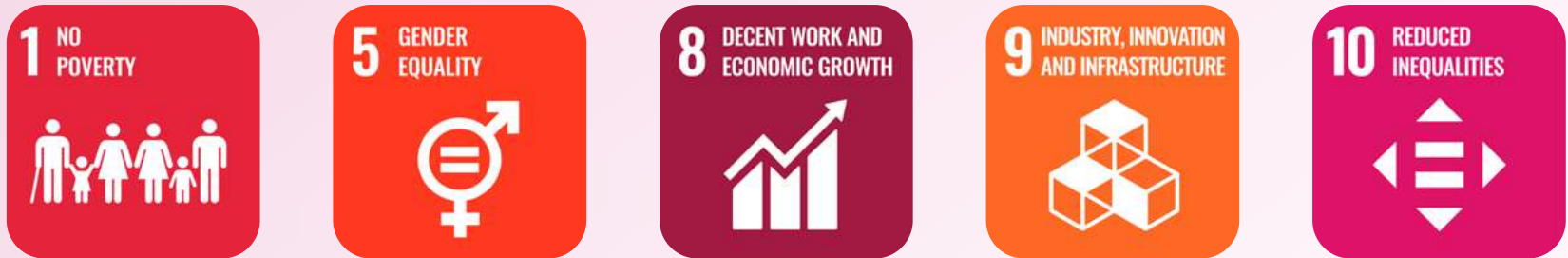
Graph 30: Bond Issuance Achievements



Third issuance of social bonds

In 2023, we issued social bonds in the public securities market for an amount of COP 600 billion, reaching an oversubscription of 3.7 times to contribute to the goals of the Sustainable Development Goals (SDGs) associated with poverty eradication, gender equality, decent work and economic growth, reduction of inequalities, among others. Our focus has been

on promoting gender equality and territorial growth through the generation of development opportunities for women, rural businesses, and individuals affected by the armed conflict. To achieve this, we have relied on the issuance of social bonds, which allow us to allocate resources to high-impact social projects and contribute to the achievement of the SDGs:



Graph 31 SDGs related to the third issuance of social bonds

The resources from this new issuance will be allocated to support micro and small enterprises with an emphasis on: rural areas, women-owned businesses, and victims of the armed conflict in Colombia.

Financial conditions:

- Issuance amount: COP 400 billion
- Overallocation: Additional COP 200 billion
- Overallocation: Additional COP 200 billion
- Indicator*: IBR NMV, FIXED RATE

By investing in Bancóldex’s Social Bonds, investors contribute to supporting the financing of thousands of women entrepreneurs, victims of the armed conflict, and micro-entrepreneurs in Colombia.

In addition to this, we highlight the approval of our Diversity, Equity, and Inclusion (DEI) policy, which will allow us to strengthen our performance model in this area internally and externally.

6.1.2.2. Microfinance

Access to formal credit resources, especially through microfinance specialized entities, creates growth opportunities for micro-enterprises, contributing to improving the

quality of life of individuals and their families, and in the long term, drives productive and economic development in the regions.

	2021	2022	2023
Microenterprises financed	11.442	157.209	78.835
Small businesses financed	89	5.283	5.445
Total companies (microenterprises and small businesses)	11.531	162.492	84.280

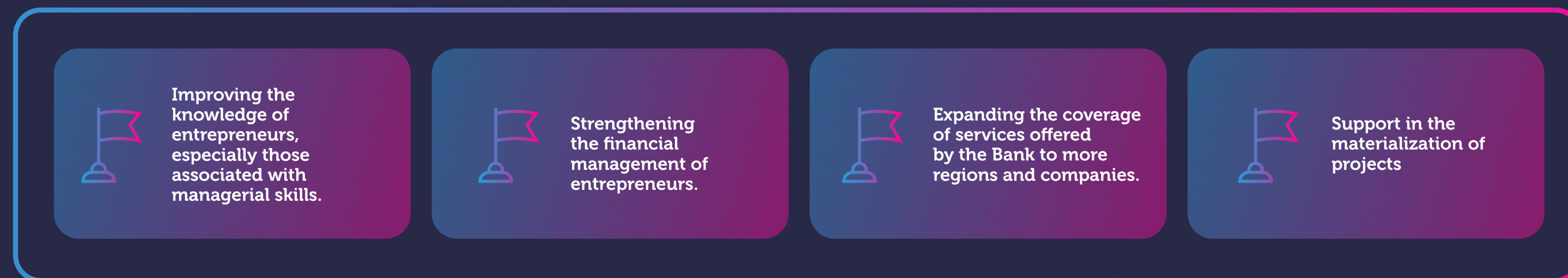
Table 18: Micro and Small Business Financing

In 2023, we succeeded in strengthening our network of financial intermediaries specialized in microfinance, who have coverage in municipalities where there is no presence of traditional banking or where access is unlikely due to the profiles of micro-entrepreneurs. We are aware that this possibility

constitutes a formal alternative for financing with our resources, and additionally, these entities have various non-financial programs and/or services that promote financial and economic education, thus strengthening and driving the growth of productive territorial activity.

As Bancóldex, the bank that promotes business development, we support the improvement of the capacities of the network of specialized financial intermediaries, thus promoting their process of readiness for financing and the materialization of their projects, so that they can be more sustainable

and leverage their growth. In turn, we support the strengthening of Microcredit-Oriented Entities (EOCMs) that require it, with the aim of reaching more regions and companies in the national territory with financial solutions. In this sense, we aim to achieve:



Graph 32: Objectives of Financing EOCMs

To achieve the desired impacts, we implement programs and activities for business training through both in-person and virtual modalities in territories. Additionally, we offer specialized technical assistance programs in business sustainability, financial management, foreign

exchange risk management, and comprehensive strengthening. We also provide digital channels that facilitate access to financial education content¹³ and business training programs. Furthermore, we engage with ecosystem partners to

offer complementary services to the entrepreneurs we serve. These programs, training activities, and technical assistance are carried out through open call schemes, encouraging the participation of entrepreneurs and allies nationwide,

while meeting the requirements defined by each of the programs offered. Finally, we conduct satisfaction surveys with participants regarding the activities carried out to evaluate content, methodologies, and personnel, driving continuous improvement in this area.

¹³ You can find more information about financial education at Bancoldex in the following link: <https://www.bancoldex.com/es/soluciones-de-fortalecimiento-empresarial/educacion-financiera>

Rurality Category	Municipalities	Participation	Credit Ops	Disbursements	Participation
Cities and Agglomerations	117	12%	50.973	COP 561.821.922,960	69%
Intermediate	311	31%	19.001	COP 144.121.197,449	18%
Rural	347	34%	9.321	COP 73.626.166,201	9%
Dispersed Rural	233	23%	5.601	COP 43.618.649,811	5%
Total	1.008	100%	85.123	COP 823.187.936,421	100%

Table 19: Disbursements through entities oriented towards microenterprise credit.

Destination	Credit Ops	Disbursements
Working Capital	70.787	COP 639.641.496,420
Fixed Investment	14.336	COP 184.130.570,001
Total	85.123	COP 823.187.936,421

Table 20 Destination of Investment Resources Distribution

Total Disbursements	2023
Microfinance	COP 823.187.936,421
Businesses of victims of armed conflict*	COP 134.648.056,232

Table 21 Social Figures

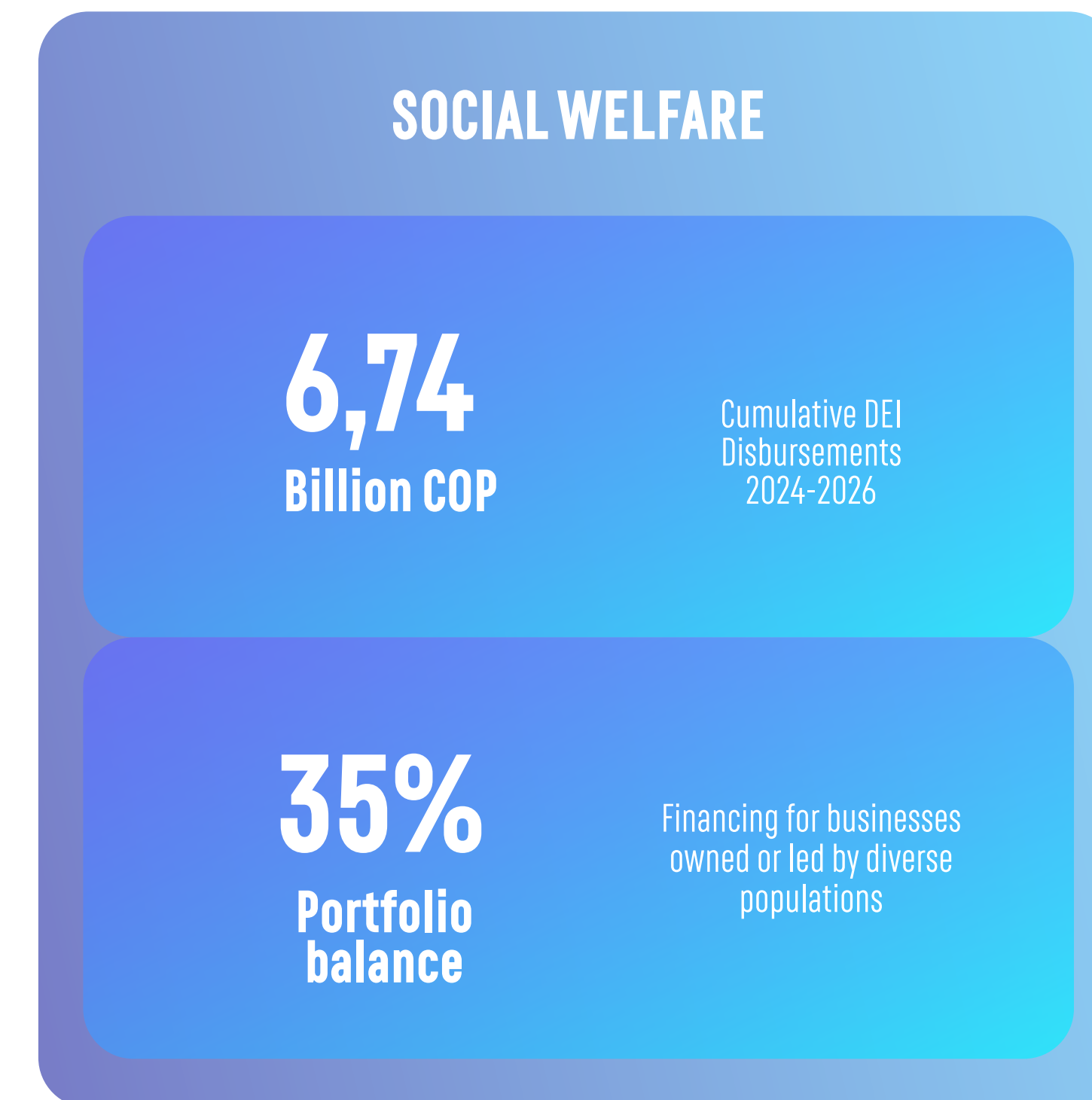
*Out of the total reported, COP 325,000,000 was disbursed with funds from the line in agreement with the Unit for Comprehensive Attention and Reparation to Victims, for the year 2023. The remaining amount was disbursed with resources from other lines in Bancóldex's portfolio, figures obtained from the crossing of the Single Victims Registry, as of 01-12-2023, against Bancóldex's disbursement database, as of 29-02-2024. The figures may vary, as there are still disbursed operations through the direct credit mechanism to microfinance institutions that have legalization deadlines between March and April.

6.1.2.3. Attention to Diverse Populations:

In October 2023, Bancóldex's Board of Directors approved the Diversity, Equity, and Inclusion (DEI) policy, which aims to incorporate this approach into: (i) its internal activities and strengthening of organizational culture, (ii) the design of financial products and business support, and (iii) the prevention and management of internal and external risks (referring to Bancóldex's operations). The organization will implement its work plan progressively.

In terms of products, the following dedicated and special credit lines were structured:

- Special credit line "Women Entrepreneurs" structured with the Ministry of Industry and Commerce, whose disbursements reached COP 35,217 million as of the end of 2023 and were intended to meet the working capital needs of 1,362 operations in 29 departments of the country; these figures indicate that we achieved a regional coverage of 87.8% of the country's departments, including Bogotá D.C.
- "Bogotá Produces" line designed with the Mayor's Office of Bogotá D.C., this instrument achieved disbursements of 55,700 million, benefiting more than 7,800 microenterprises.
- It is noteworthy that, in 2023 through the special credit lines available in its portfolio, Bancóldex supported women entrepreneurs in the country with disbursements totaling COP 66,678 million in 124 operations.
- "Ascend" line aimed at victims of the internal armed conflict in Colombia with a total placement of COP 325 million.



Graph 33 Social Welfare Goals for 2026

6.1.3. Culture for Sustainability

Bancóldex drives the country's economic development by promoting the creative economy through the design of financial products and business strengthening. As of December 31, 2023, COP 911.967 billion were disbursed in 17,618 operations, aimed at addressing the working capital and fixed investment needs of beneficiary companies. Coverage was achieved in 33 departments, including Bogotá D.C.

Now, in the review of the corporate and sustainability strategy, the Bank modified the focus of attention from creative and cultural industries to concentrate its efforts between 2024 and 2026 on sustainable tourism and various artistic expressions (phonographic, audiovisual, performing, visual arts, among others). This approach allows, among other aspects, to promote the sustainable use of ecosystem services in territories, including cultural ones.

// Under this channel, 10 projects of sustainable and cultural tourism, with an emphasis on biodiverse territories, will be addressed. //

Graph 34 Goals for 2026 of Culture for Sustainability

6.1.4. Positioning as a Sustainable Development Bank

In 2023, we played a leadership role that gained recognition from the international community, articulated with our positioning strategy through which we aim to be recognized as a Sustainable Development Bank in Colombia and Latin America, providing better tools to advance towards a more sustainable productive development. The following activities allowed us to advance these objectives during 2023:

➤ In September 2023, we hosted the 4th edition of the "Finance in Common Summit", a world-class platform supported by the Latin American Association of Development Financial Institutions (ALIDE), the European Investment Bank (EIB), the Inter-American Development Bank (IDB), the Development Bank of Latin America and the Caribbean (CAF), and other organizations.

As a result, we achieved the participation of 1,300 attendees from 66 countries. During 3 days of work agenda, topics related to SMEs and financial inclusion, climate, biodiversity, and sustainable infrastructure were addressed, and the "Cartagena Work Plan" was defined, which proposes concrete actions regarding alignment with the SDGs, as well as the Paris Agreement and the Biodiversity Framework Agreement; cooperation activities between Public Development Banks with innovative tools, stakeholder mobilization, and joint efforts were also finalized. Progress on this plan will be reviewed during 2024.

➤ In October 2023, we were chosen to chair the International Development Finance Club (IDFC) for a period of 2 years, a platform that includes the participation of 26 financial institutions worldwide that promote investment in sustainable development globally.

➤ Bancóldex was appointed vice president of the "Green Coalition for the Amazon", an alliance that seeks to promote innovative financial solutions and technical cooperation to create and strengthen local productive activities and drive sustainable projects. Our participation in this space will allow us to promote the call to action of Public Development Banking to protect key ecosystems such as the Amazon from our role as financiers, and to promote regional alliances with counterparts for common purposes.

➤ Bancóldex received the ALIDE GREEN AWARD for its Climate Change Adaptation Credit line for microfinance designed with UNEP and with resources from the United Nations Multidonor Fund.

6.2. Enhancing Business Productivity with a Focus on SMEs

Material Topic: Promoting Business Development
GRI 3-3

For Bancóldex, business development entails fostering the sustainable growth of Colombian companies through the promotion of competitiveness, productivity, and innovation. As Colombia's business development bank, we are committed to promoting business development by addressing the productive transformation needs of companies in all regions of the country. This translates into economic growth and local development and contributes tangibly to the following SDG targets:



1.4 Ensure that all men and women, particularly the poor and the most vulnerable, (...) have access to financial services, including microfinance.

1.5 Promote the resilience of the poor and people in vulnerable situations and reduce their exposure and vulnerability to extreme weather events and other economic, social, and environmental disasters.



5.5 Ensure full and effective participation of women and equal opportunities for leadership (...) at the economic level.

5.a Undertake reforms to give women equal rights to economic resources, as well as access to (...) financial services (...)



8.2 Higher levels of economic productivity: diversification, technological modernization, and innovation (...)

8.3 Public policies for (...) the growth of SMEs, including access to financial services.

8.9 Develop and implement policies aimed at promoting sustainable tourism that creates jobs and promotes local culture and products.

8.1 Strengthen the capacity of national financial institutions to promote and expand access to financial services (...)



9.3 Increase access for small-scale industries and other enterprises, particularly in developing countries, to financial services, including affordable credit (...)

9.4 Retrofit industries to be sustainable, using resources more efficiently and promoting the adoption of clean technologies and industrial processes



10.2 Enhance and promote social, economic (...) inclusion of all individuals, regardless of their age, gender, disability, race, ethnicity, origin, religion, economic status, or other condition



17.15 Respect the regulatory space and the leadership of each country to establish and implement policies for poverty eradication and sustainable development.

17.17 Foster and promote effective partnerships in the public, public-private, and civil society spheres (...)

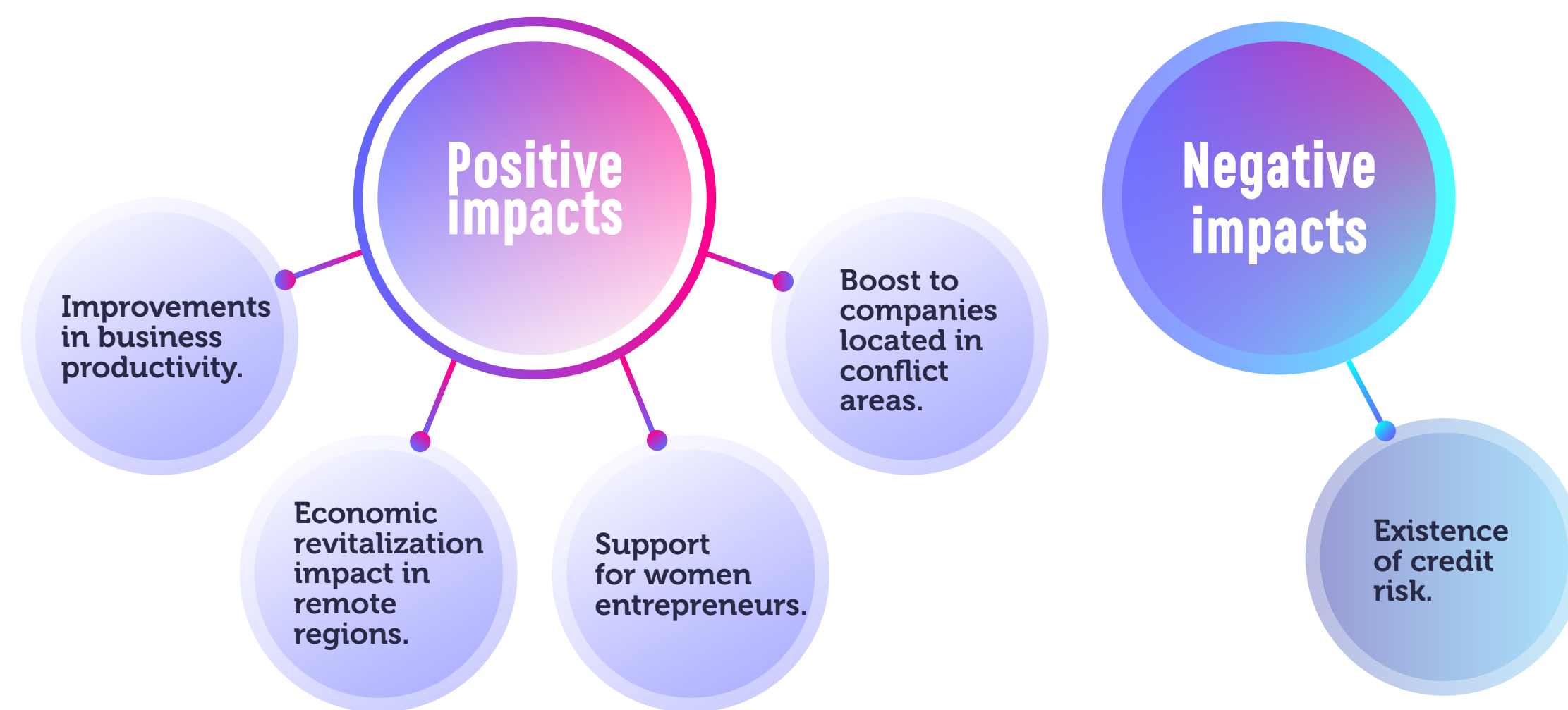
Table 22 SDG Targets Associated with the Promotion of Business Development

This purpose has led us to enhance the actions implemented through the creation of disruptive alliances and to undergo digital transformation to offer Colombian companies agile, relevant, and innovative products. This allows us to generate more impact, be closer to entrepreneurs, support the development of new markets, and strengthen business ecosystems.

To achieve optimal results in this

area, we are aware of the importance of carrying out market gap identification processes, which we seek to mitigate through financing and capacity building for businesses.

In this regard, we have identified both positive and negative impacts related to the promotion of business development, which we strive to manage appropriately to maximize the positives and mitigate the negatives.



Graph 35 Business Development Promotion Impacts

Among the results achieved from the management carried out in 2023, the following stand out:

Productivity of SMEs:

More than 6,000 SMEs received disbursements totaling over COP 2.7 billion, with COP 1.3 billion for small and COP 1.4 billion for medium-sized enterprises.

In support of microenterprises, the Bank disbursed nearly COP 1 billion to over 100,000 microentrepreneurs, around 62,000 of whom are women.

11% of the disbursements were directed towards direct assistance to SMEs (COP 658 billion), benefiting over 78,000 entrepreneurs with products such as leasing, factoring, and credit.

Neocrédito:

The Neocrédito platform continued to strengthen its position for microentrepreneurs and financial partners. Through Neocrédito, microentrepreneurs can submit a loan application with standardized basic documentation and optimized response times, receiving one or multiple loan offers in one place,

allowing them to compare and select the best option available.

In 2023, we onboarded 10 new financial partners and assisted microentrepreneurs in various regions of the country, achieving the following milestones:

- 9,469 new microentrepreneurs registered with participation from 282 new municipalities.
- 226 disbursements made totaling COP 3.318 million, with a placement participation among partners of 67% banks, 20% Foundations, 8% Fintech, and 4% Cooperatives.

Out of the total credits granted in 2023, 182 went to natural persons, with 42% granted to microentrepreneurs whose highest educational level is primary or secondary education, and 14% with a technical or technological education level. Additionally, 84 women entrepreneurs benefited, representing 44% of the disbursements made to natural persons.

Furthermore, through Neocrédito, 69% of microentrepreneurs (162 operations) received 2 or more loan offers, enabling them to improve their financial conditions and choose the offer that best suits their needs. Finally, comparing the highest interest rate of the loan offers

received by microentrepreneurs with the aggregated disbursement rate, we achieved an average reduction of 11.3 percentage points. Additionally, we improved the loan term by 24 to 72 months for 67% of the disbursed loans and achieved an interest rate lower than 30% in 34% of cases.

// We received a silver award in the financial inclusion category in Colombia as recognition from Fintech Americas //

14.720
microentrepreneurs
registered

700
municipalities
included

+ 3.327
credit applications
processed

COP+5.473
million disbursed

Graph 36: 2023 Neocrédito Results

In 2024, we will continue to support micro-entrepreneurs with credit products, rediscounts, and the NeoCredit platform. We expect to serve more than 140,000 micro-enterprises, including the micro-business segment, and will launch a special credit program aimed at the informal economy, with the purpose of productively integrating micro-businesses and empowering those that have had difficulties accessing credit.

Regionalization:

During 2023, at Bancóldex, we continued to strengthen our relationship with entrepreneurs in the country’s regions, introducing our portfolio of financing and business strengthening products, with a differential focus that takes into account the realities and economic dynamics of each department. Through the “Bancóldex in the Regions” strategy, we reached 26

municipalities in 20 departments of the country; we conducted 78 face-to-face events and 18 virtual ones, including meetings with financial allies and entrepreneurs, business rounds, commercial visits, and service days, which brought together more than 3,100 participants. These events received support from over 30 regional strategic allies such as chambers of commerce,

municipalities, governorates, guilds, financial institutions, suppliers, and multilateral organizations. Our positioning in the regions allowed us to showcase powerful results and make the robust portfolio visible to entrepreneurs and interested audiences. We continue to deepen the regionalization strategy through disbursements of COP 35.988 million

to companies located in departments with low credit utilization. Similarly, we structured six transformational projects that generate regional impact in the departments of the Pacific and Caribbean regions (Chocó, Valle del Cauca, Cauca, Nariño; Guajira, Cesar, Magdalena, Atlántico, Bolívar, Sucre, Córdoba, and San Andrés and Providencia).

Region	2021	2022	2023	Var % (2022 vs 2023)
Exterior	990.887	636.677	380.775	-67,21%
Atlantic Region	589.864	962.429	644.674	-49,29%
Bogotá Central Region	1.774.971	2.762.582	2.594.614	-6,47%
Santanderes Region	269.406	343.530	400.613	14,25%
Valle Region	680.811	803.368	786.052	-2,20%
Coffee Axis Region	149.286	175.112	255.097	31,35%
Antioquia Region	690.015	1.229.342	1.281.707	4,09%
Total	5.145.241	6.913.041	6.343.533	-8,98%

Table 23 Rediscount Disbursements by Financial Allies (Redescuento) by Regions
Figures expressed in COP

Modernization:

The Bank is recognized as a transformer of terms and a countercyclical tool of the Government of Colombia that contributes to boosting the transformation of the productive apparatus to make it more competitive.

Thus, the Bank supports the financing of machinery, equipment, technology, software, modernization or productive innovation projects, and generates specific credit lines for these purposes.

In 2023, the country's economy faced major challenges that particularly affected the dynamics of credit, which traditionally drives

a greater concentration of resource demand towards liquidity needs, postponing investment needs.

In this context, at Bancóldex, we achieved disbursements for business modernization totaling COP 2.08 billion, a figure that represents a slight growth of 2.3% compared to the 2022 result. This was possible thanks to the strong dynamics of lines such as Competitive SMEs, in partnership with the Ministry of Commerce, Industry, and Tourism, which in the last four months of the year, achieved disbursements for modernization totaling \$310.199 million destined to 3,232 SMEs.

Investment operations disbursed

through the financial system were concentrated in the medium term, as companies again postponed large investment projects, resulting in an average term of 3 years for second-tier operations, while Bancóldex's first-tier operations in modernization reached an average term of 7.4 years, reinforcing the differential we can generate with this Bank offer.

The main credit line for modernization was the traditional line with disbursements of \$312.774 million, and among the special lines, the aforementioned Competitive SMEs line in partnership with the MinCIT.

Through our digital Leasing product,

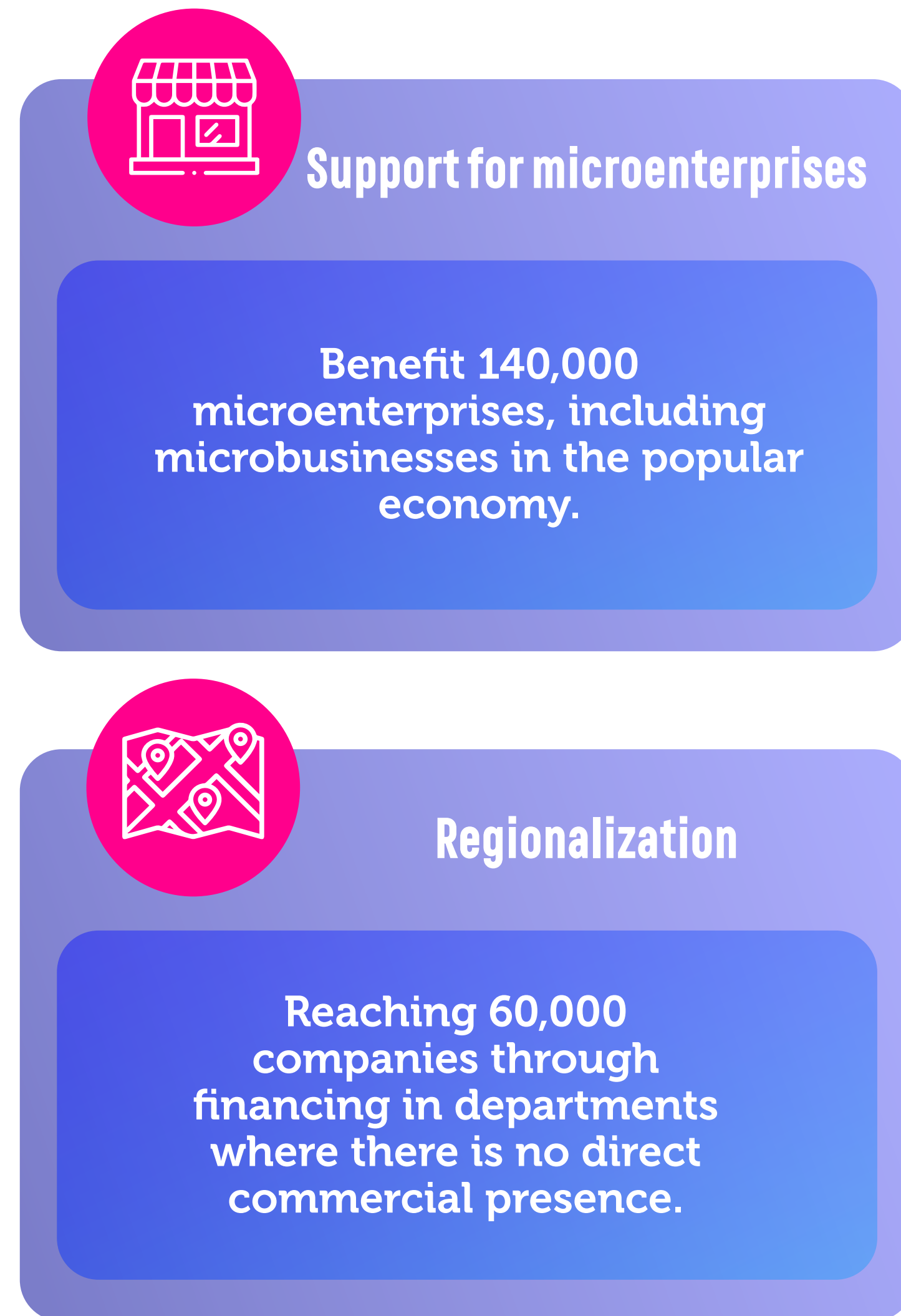
we continue to see the participation of new entrepreneurs interested in acquiring assets, whether for new or used equipment listed on the platform or outside it.

We strengthened the channel with 16 new suppliers linked, entering into 9 different sectors such as food, printing, health, renewable energies, among others, which are new in this channel.

In 2023, suppliers uploaded 234 new assets to the platform, a figure with which the channel records more than 25 suppliers and more than 300 productive assets, after almost two years of operation.



Graph 37 2023 Modernization Results



Graph 38 Goals for 2024 Second Strategic Focus

6.2.1. Bancóldex Capital Fund of Funds

Our asset management business involves managing third-party resources (private and public) through Bancóldex Capital Fund of Funds, which mobilizes resources towards the venture capital industry in Colombia and the region,

fostering the development of alternative financing mechanisms for entrepreneurs and businesses. Bancóldex Capital Fund of Funds, as of the end of 2023, was structured into two compartments:

Capital for Entrepreneurship

Objective: To invest in venture capital funds for early-stage Latin American startups (with a focus on the Pacific Alliance), which have funded their initial operational phases and have a proven product.

Bancóldex Capital

Objective: To consolidate all investments in venture capital funds by transferring these investments from the balance sheet to the Fund of Funds. This compartment is thus represented by the equity stakes and investment commitments we hold in both local and foreign venture capital funds.

Graph 39 Asset Management Objectives

Venture capital funds in which we invest through Bancóldex Capital Fund of Funds allow us to channel resources beyond traditional credit for various types of companies at different stages of maturity. These include micro and small innovative ventures, medium-sized family businesses, large exporting and industrial companies, as well as various projects focusing on green energy.

Management and Results

Our investment selection process has been executed and improved to drive its constant evolution, necessitated by the need to incorporate international standards, best practices in corporate governance, reporting, terms and conditions, social and environmental responsibility, among others.

With a committed capital of COP 248.447 Million, the Fund of Funds program has mobilized over COP 1.4 Billion through underlying funds towards 119 Colombian companies and projects.

During 2023, we closed the Fund of Funds program with an investment in the ALIVE Early Growth II fund,

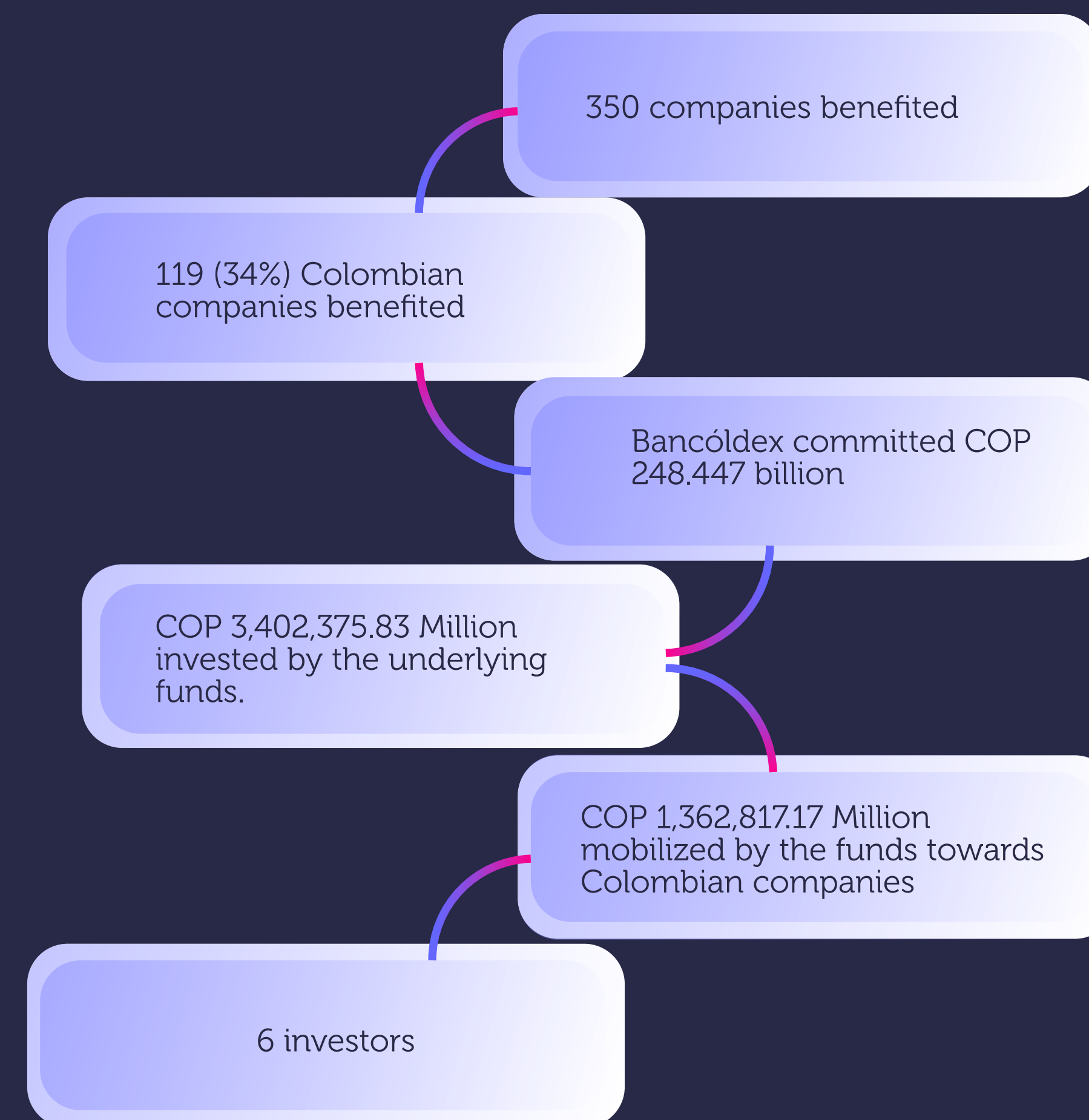
focused on Colombia and Peru. The fund aims to invest in companies that contribute to solving population inequities and transforming the lives of low-income people in their operating countries, with the potential to expand to other countries. Our expectation is that this fund will mobilize around COP 120 billion, of which Colombia will receive COP 54 billion (45%).

On the other hand, we mobilized over COP 227 billion to microenterprises, technology-based companies, medium and large companies in Latin America, of which COP 51 billion (22.5%) were focused on 14 Colombian companies.

We have set the goal of increasing assets under management and expect to reach COP 2.9 Billion by 2026. To achieve this, we will implement four new strategies:

➤ **Green/Social Infrastructure Compartment**

We will invest in private equity funds to incentivize the structuring, construction, and operation of renewable energy projects, energy efficiency,



Graph 40 Asset Management 2023 Results

projects aimed at improving the quality of life of the population in key sectors such as health, education, energy, housing, mobility, and water.

➤ **Entrepreneurial Capital Compartment II:**
Aimed at venture capital funds that invest in early-stage Latin American startups (Pacific Alliance focus), which have financed their initial operational phases and have a proven product.

➤ **Boost for Territories Compartment:**
For funds that invest through blended finance in Colombian companies in specific regions of the country, whose business models are traditional and have a positive impact on the local population.

➤ **Micro VC Compartment**
Its objective is to invest in venture capital funds managed by Colombian teams that invest in early-stage Latin American companies, supporting the emergence of local managers.

6.3. We act as a tool for public policy

As a countercyclical instrument of public policy, we continue to support the Colombian business fabric in special situations or economic, social, and environmental crises with financial products tailored to the urgency of the situation. Through this strategic focus, we contribute to achieving all the SDGs.

In 2023, the Bank disbursed COP 874.176 Million through 29 special lines benefiting more than 14,000 companies.



Graph 41 SDGs related to the third strategic focus

6.3.1. Sectorial Strategic Plan with the Ministry of Commerce, Industry, and Tourism (MINCIT)

In line with these purposes, we have established the Sectorial Strategic Plan with the Ministry of Commerce, Industry, and Tourism (MINCIT), which has a temporal scope from 2023 to 2026. It consists of three axes, six indicators, and year-by-year compliance goals, as follows:

AXIS	Indicator	Results 2023	2024 Target	2025 Target	2026 Target	Total 2023-2026
Reindustrialization	Value of disbursed credits for projects of climate change mitigation and adaptation, circular economy, or bioeconomy (COP Millions)	Disbursed COP90.449 million, achieving 129% of the target	COP 80.000	COP 90.000	COP 110.000	COP 350.000
	Value of credits disbursed through the special line "Competitive SMEs" (COP Millions)	Disbursed COP310.199 million in credits, achieving 196% of the annual target	COP 158.000	COP 158.000	COP 158.000	COP 632.000
Internacionalización	Internationalization Value of credits disbursed by Bancóldex to support internationalization processes (COP Millions)	Disbursed COP96.452 million in credits, achieving 192% of the target.	COP 55.000	COP 62.000	COP 68.000	COP 235.000

AXIS	Indicator	Results 2023	2024 Target	2025 Target	2026 Target	Total 2023-2026
Closing Territorial Gaps	Number of micro, small, and medium-sized enterprises	(MSMEs) benefiting from financial products 80,763 MSMEs benefited, achieving a 63% progress towards the target ¹⁴	COP 134.000	COP 140.000	COP 148.000	COP 550.000
	Number of Microentrepreneurs registered on the Neocrédito platform	9,568 microentrepreneurs were registered on the Neocrédito platform, achieving an 80% progress towards the target	COP 14.000	COP 16.000	COP 18.000	COP 60.000
	Number of micro, small and medium-size enterprises benefiting from non-financial products	2,242 MSMEs benefited from Bancóldex's non-financial products, meeting the goal of 112%.	COP 2.200	COP 2.330	COP 2.400	COP 8.930

Table 24 Sectorial Strategic Plan

¹⁴ The figures are provisional considering that we are still awaiting information on the beneficiaries of disbursed loans at the end of 2023, especially from financial institutions, particularly microfinance institutions, which have up to 120 days to provide this information to Bancóldex. Therefore, the information reported as of December 2023 has a lag of 120 days, and the final information will be known by the end of April 2024.

Similarly, we have defined a series of commitments that the National Council of Economic and Social Policy - CONPES - has recorded in various public policy documents focused on productive development, green growth, solidarity economy, orange economy, agricultural competitiveness, and national reindustrialization policy.

CONPES	Action
CONPES 3866 Productive Development Policy - PDP	Develop a financing portfolio aimed at promoting innovation.
CONPES 3934 Green Growth Policy	Identify, through the Bancóldex Capital Program, private equity funds (venture capital) aligned with the bioeconomy. Funds that meet the program's policy may be subject to potential investment (cumulative).
CONPES 4051 Public Policy for the Development of the Solidarity Economy	Prepare an analysis on the possibility of creating special credit lines, with contributions from government entities, to strengthen the credit irrigation capacity of Employee Funds, Mutual Organizations, and Cooperatives, so that they in turn support productive development.

CONPES	ACCIÓN
CONPES 4090 National Policy on Orange Economy: strategies to boost cultural and creative industries	Conduct an analysis of orange economy companies to identify their needs and gaps in terms of access to financing, in order to design new financial tools that adapt to the environment of creative and cultural industries.
CONPES 4098 Policy to Boost Agricultural Competitiveness	Develop a dissemination/socialization program for the DATLAS tool so that agricultural and agro-industrial entrepreneurs have information for the sophistication and diversification of their production processes.
CONPES 4129 National Reindustrialization Policy	Develop and implement a financing portfolio aimed at productive units, especially SMEs, to support projects for the modernization of the productive apparatus, sustainability, circular economy, bioeconomy, and/or climate change management, as well as plans and projects for internationalization that promote export linkages.

Table 25 CONPES Commitments

6.3.2. Popular Economy

During 2023, Bancóldex worked together with entities from the Bicentennial Group to create initiatives to support the Popular Economy. With the design of the first credit line created for this purpose, the aim is to finance at least 10,000 microbusinesses, providing financial advantages in the interest rates of the loans to support their credit inclusion. This first line has an offer of approximately COP 20 billion, allowing microbusinesses to access

their first formal credit in the last 4 years, strengthening the cross-cutting pillar of credit inclusion. These loans will have differential financial conditions, one of which is a decrease in the interest rate of at least 5% compared to the standard rate of the financial intermediary, thus reducing the financial cost compared to informal loans.

We formally presented these options at the launch in November 2023 of the “CREO Popular Economy” credit

line, which, by the end of the year, had reached disbursements of COP 4.892 billion.

Additionally, we will design the second phase of the CREO Popular Economy II program credit line for approximately COP 185 billion, seeking to benefit around 45,000 microbusinesses.

2024 Goals: Aligned with the reindustrialization policy led by the Ministry of Commerce, Industry,

and Tourism, the Bank aims to support 20,000 companies with the reindustrialization portfolio by 2024. Likewise, to support the reindustrialization policy with the Fund of Funds instrument, the Bank will seek resources from investors worth COP 500 billion.

6.4. Supporting the internationalization of the economy

Bancóldex has defined internationalization as one of its strategic priorities and has developed a portfolio aimed at supporting the financial and non-financial needs of Colombian exporters with rediscount products, direct credit, business strengthening services, and training and knowledge tools, through which we contribute concretely to the following SDG goals:



5.5 Ensure full and effective participation of women and equality of leadership opportunities (...) at the economic level.

5.a Undertake reforms to give women equal rights to economic resources, as well as access to (...) financial services (...)



8.2 Higher levels of economic productivity: diversification, technological modernization, and innovation (...)

8.3 Public policy for (...) the growth of SMEs, including access to financial services..

8.9 Develop and implement policies aimed at promoting sustainable tourism that creates jobs and promotes local culture and products.

8.1 Strengthen the capacity of national financial institutions to promote and expand access to financial services (...)



9.3 Increase access for small-scale industries and other enterprises, particularly in developing countries, to financial services, including affordable credit (...)

9.4 Retrofit industries to be sustainable, using resources more efficiently and promoting the adoption of clean industrial technologies and processes

Table 26 SDG Goals associated with the fourth strategic focus

We aim to contribute to positioning Colombia's exportable offerings abroad and deepen the internationalization of Colombian businesses, with both the Bank's traditional portfolio and new products and services that are relevant in pre-shipment and post-shipment activities, as well as in the internationalization processes of companies.

Services for financing activities related to:

- Support for productive and labor reconversion, and the export process.
- Acquisition of technology, raw materials, inputs, marketable goods, machinery, and equipment, among others, in domestic and international markets.
- Management of risks associated with these types of businesses such as exchange rate risk and those inherent in payment flow.
- Financing for market conquest including relocation or local positioning of companies in their target destinations, providing financing in

Colombian pesos, dollars, or in the destination country's local currency, to take advantage of financial benefits and facilitate insertion into global value and competition chains.

As a result of these activities in 2023, we impacted 60 exporting companies with the financial portfolio for internationalization and non-financial services.

Non-financial services for internationalization are aimed at complementing financing and enhancing its benefits with knowledge tools, technical assistance, and training. In 2023, a total of 66 companies received technical assistance through programs such as Triple Purpose, the program for managing exchange rate risk, and the FINBI program (specialized investment banking service for SMEs).

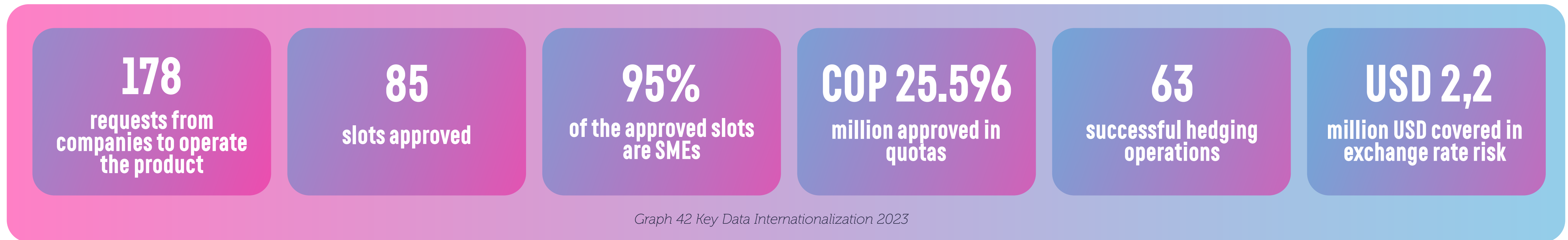
78% of the companies that received our financial and non-financial services are classified as SMEs and are mainly located in Bogotá - Cundinamarca, Antioquia, and Valle del Cauca.

In 2023, "Currency hedges - forward NDF USD/COP" entered our portfolio of direct credit products, being the most recent financial solution that complements our value proposition in products for companies engaged in foreign trade. It is a new channel for accessing Non-Delivery Forward USD/COP derivative instruments, which allows entrepreneurs to generate knowledge about the product and hedge their exchange rate risks in an agile and secure manner in one place.

We highlight the product's approval by the Financial Superintendence of Colombia, thus allowing the launch of the digital platform to the market. By the end of the year, the platform recorded 1,349 queries from enabled entrepreneurs in its various navigation modules.

In eight months of operation, 258 companies interested in the product were attended to, of which 186 were trained in forward NDF derivative instruments, thus reducing barriers to access and knowledge of these types of instruments.





For 2024, the Bank will support 100 exporting companies with the financial and non-financial portfolio for internationalization.

6.5. Levers that support the development of our strategic focuses:

6.5.1. Non-financial services

At Bancóldex, we have a portfolio of non-financial services aimed at improving entrepreneurs' capabilities, increasing their access and/or appropriate use of financing, and contributing to the materialization of their growth projects.

This portfolio includes:

- I Financial education and business training activities and programs.
- II Specialized technical assistance services.
- III Value connections with allies.

In 2023, 2,307 companies were supported with non-financial services (97% classified as SMEs), located in 280 municipalities throughout the country.

Financial education and business training:

- **Digital Connect:** A virtual channel through which entrepreneurs access free training activities with an emphasis on financial education. This channel has more than 10,000 registered users and offers training courses available on topics such as

costing, pricing, access to credit, basic finance concepts, among others. In 2023, a total of 1,905 users completed courses on the platform.

- **Virtual training programs, webinars, face-to-face workshops, and short courses:** They allowed the attention of 1,310 SMEs addressing topics such as preparation for applying for a loan, cash flow, accounting and tax management, artificial intelligence for businesses, currency hedges, sustainable procurement, among others. To reach a wider audience in these programs, we worked in partnership with chambers of commerce, Analdex, ProColombia, and the Ministry of Commerce, Industry, and Tourism.

Technical assistance:

Technical assistance services focused primarily on strengthening the financial position of companies. In 2023, we implemented the following technical assistance programs that benefited 66 companies:

- **Program to improve Currency Risk Management for exporting companies:** It consisted of offering personalized advice on the analysis and quantification of exposure to exchange rate risk, as well as defining or strengthening their strategy to manage it.
- **Triple Purpose Program:** It involved individual support to companies committed to creating economic, social, and environmental value, known as “BIC Companies,” through assistance in implementing activities in the dimensions of Business Model, Environmental Practices, and/or Labor Practices.
- **Finbi Program - Investment Banking for SMEs:** We continued with the implementation of this program, which provides support through comprehensive financial diagnosis and analysis of the most relevant aspects for the company, with an emphasis on the liability structure.

- **Connect and Grow Program:** We initiated the development of a new program to access credit and strengthen Specialized Microcredit Institutions (IMFs) with the aim of expanding attention, especially to more micro-entrepreneurs, and deepening the placement of resources in non-traditional regions of the country. During 2023, 10 IMFs were linked to the program, including cooperatives and NGOs.

Value connections with allies:

Local alliance management is relevant to achieving the Bank’s strategic objectives. We seek to build mutually beneficial relationships that expand the portfolio’s reach and reach more regions of the country, especially in areas where Bancóldex has low influence. When selecting possible allies, different criteria are considered, including aspects associated with the sustainability of the alliance, joint initiatives, and, in addition to being economically favorable, generate a positive social or environmental impact.



Within this framework, in 2023, we articulated with the Confederation of Chambers of Commerce - Confecámaras, the association of graduates of the University of the Andes - Uniandinos, the Chamber of Commerce of Cartagena, and the Finance for Equity Program of USAID, operated by DAI.

Through the implementation of these alliances, business training activities will be carried out, especially in the areas of financial education, internationalization, and sustainability, aiming to benefit at least 300 productive units/companies.

It is worth noting that within the planned activities with allies, the Bank's financial offer is also approached, according to the needs of entrepreneurs, to close information gaps, especially for smaller companies, compared to the current financing offer.

In 2024, Bancóldex will strengthen its offer of non-financial products and services, especially supporting exporting companies and those implementing green investments.

6.5.2. Innovation and Digitalization

Material topic: Innovation and digitalization
GRI 3-3

The innovation and digital transformation process at Bancóldex is part of our strategy as a key tool to improve the products, services, and processes through which we support the country's business ecosystem. To continue with the 2022-2026 strategic plan, in 2023, we made improvements to existing products and launched new services for entrepreneurs, allowing us to contribute concretely to the following SDG targets:



8.1 Strengthen the capacity of national financial institutions to promote and expand access to financial services.

8.2 Higher levels of economic productivity: diversification, technological modernization, and innovation (...)



9.4 Reconvert industries to be sustainable, using resources more efficiently and promoting the adoption of clean technologies and industrial processes.

9.b Support the development of national technologies, research, and innovation in developing countries, including ensuring a conducive regulatory environment for industrial diversification and value addition to basic products, among other things.

9.c Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in the least developed countries by 2020.

The process of digital transformation at Bancóldex is directly related to innovation and technological business and operational processes, with the ultimate goal of improving the customer experience and addressing the needs of Colombian entrepreneurs. Digital transformation,

along with innovation, has been set as a key lever in the strategic plan for 2022-2026.

Our Innovation and Digital Transformation office is tasked with integrating a new combination of ideas, knowledge, capabilities, and resources to meet market needs.

The cross-cutting nature of this issue requires us to have all professional profiles within our teams, enabling us to integrate activities related to multiple specialized functions, domains of knowledge, and areas of application from all areas of Bancóldex.

In this regard, our departments have spaces where multidisciplinary teams work under agile methodologies to find solutions to specific problems, serving as a valuable innovation management tool for achieving tangible results and generating value for our target market.

Additionally, from the IT operations areas, we delve into opportunities for improvement within IT service processes, application development, infrastructure, and IT architecture. This is an area where we continuously measure business needs, address the strategic plan, and interact with internal clients.

//

We contribute to providing a better, reliable financial service that builds and consolidates lasting and sustainable relationships with our clients and strengthens the market.

//

Indicator	2022	Goal 2023	Result 2023	Goal 2024
Virtual and physical spaces to promote innovation in channels and products	9	14	21	30
Number of innovative solutions designed for internal or external challenges of the organization	1	2	24	13
Design and implementation of minimum viable products	3	2	2	2

Table 27: Digitalization and Innovation Indicators

In 2023, we emphasized innovation and digital transformation in the following products of the Bank:

- **Neocrédito:** The platform continued to strengthen its presence for the participation of micro-entrepreneurs and financial partners.
- **Digital Leasing:** New functionalities were incorporated to enhance the user experience for clients and suppliers on the new interface.
- **Currency Hedging:** We successfully completed the development, design, and implementation of the digital currency hedging platform. This new channel provides access to Non-Delivery Forward USD/COP derivative instruments, allowing entrepreneurs to generate knowledge about the product and hedge their currency risks quickly and securely in one place.
- **Self-Service Portal:** We launched self-service functionality for requesting statements and tax certifications.

7.514
requests handled on
the transactional
portal

600
requests expected by
the end of 2023

Graph 43 Self-Service Portal results

- **Digital Credit Factory:** We structured the development of a tailored solution that allowed for the automation of the SME credit study process, optimizing its productivity, ensuring traceability, and storing all granting information in databases in compliance with applicable regulations.
- **Credit and Intermediaries and Countries Limits:** We developed software that enables daily automated monitoring of credit and treasury limits, ensuring compliance with

individual exposure and concentration regulations according to Decree 2555 of 2010, as well as with credit and counterparty limits approved by the Credit Committees and the Board of Directors.

Goals in terms of innovation and digital transformation:

- Maintain our vision of placing Colombian entrepreneurs at the center to continue designing products and services that meet their needs.
- Promote the closing of market gaps in inclusion and access to financing, support, and training, gender equality, regionalization, and environmental sustainability through interactions with various stakeholders such as entrepreneurs of all sizes, associations, financial intermediaries, suppliers, business partners, and employees.



- Strategic Plan for Technology and Information: The Bank will continue with the implementation of the PETI, which for the 2024 fiscal year includes updating the T24 Core Banking System. This will enable the origination and management of new direct loans for SMEs from T24, consolidating the direct credit and rediscount business into a single Core.

6.5.3. Security of information and cybersecurity

Material Topic: Information Security and Cybersecurity
GRI 3-3, 418-1
SASB FN-CB-230a.1, FN-CB-230a.2

At a global level, the proliferation of cyberattacks exposing information to latent and increasingly complex risks has been evident. Therefore, information is one of our most important assets, as much of our operation relies on it. Thus, we manage the risks deriving from its use adequately, through actions that allow us to contribute concretely to the following Sustainable Development Goals (SDGs).



9.1 Desarrollar infraestructuras fiables, sostenibles, resilientes y de calidad, incluidas infraestructuras regionales y transfronterizas, para apoyar el desarrollo económico y el bienestar humano, haciendo especial hincapié en el acceso asequible y equitativo para todos

Table 29: SDG Goals associated with the material topic of Information Security and Cybersecurity

For these reasons, our protection policies, strategies, and tools are managed through resources and elements such as policies, procedures, governance bodies, and technological tools. These enable us to protect the confidentiality, privacy, integrity, and availability of information for our clients and multiple stakeholders with whom we interact daily.

Additionally, some of our strategic objectives are related to the implementation of new digital products through digital transformation as one of our pillars, with a special emphasis on the relevance of security, privacy,

and cybersecurity, considering prevention, detection, and response to various threats.

For proper management of the matter, we have a documented, formalized, and aligned Information Security Management System (ISMS) Manual with good practices incentivized by current regulations and international trends. In this manual, we outline the policies and guidelines that apply to all processes of our value chain and the information flowing through them, with the purpose of creating an adequate environment of information security, cybersecurity, and personal data protection.

In this sense, our management is comprehensive and has various scopes due to the implementation of activities related to:

- Awareness and training programs.
- Information asset management and risk management through the Operational Risk Management System (ORMS) methodology.



- Incident and vulnerability management.
 - Measurement of process indicators.
 - Access control.
 - Security monitoring through our Security Operations Center (SOC).
 - Tests and exercises (red team and business continuity tests).
 - Assurance of the technological platform.
 - Generation and reporting of metrics to control entities.
- It is worth noting that, for the proper development of the mentioned activities, decision-making, and compliance, we have several Committees involving Senior Management, as well as the Board of Directors and presidency, which have the necessary resources for security and cybersecurity management.
- To evaluate and monitor the effectiveness of the implemented activities, we rely on the Information Security Management System, as well as the measurement of process indicators and the monitoring of event and incident management.

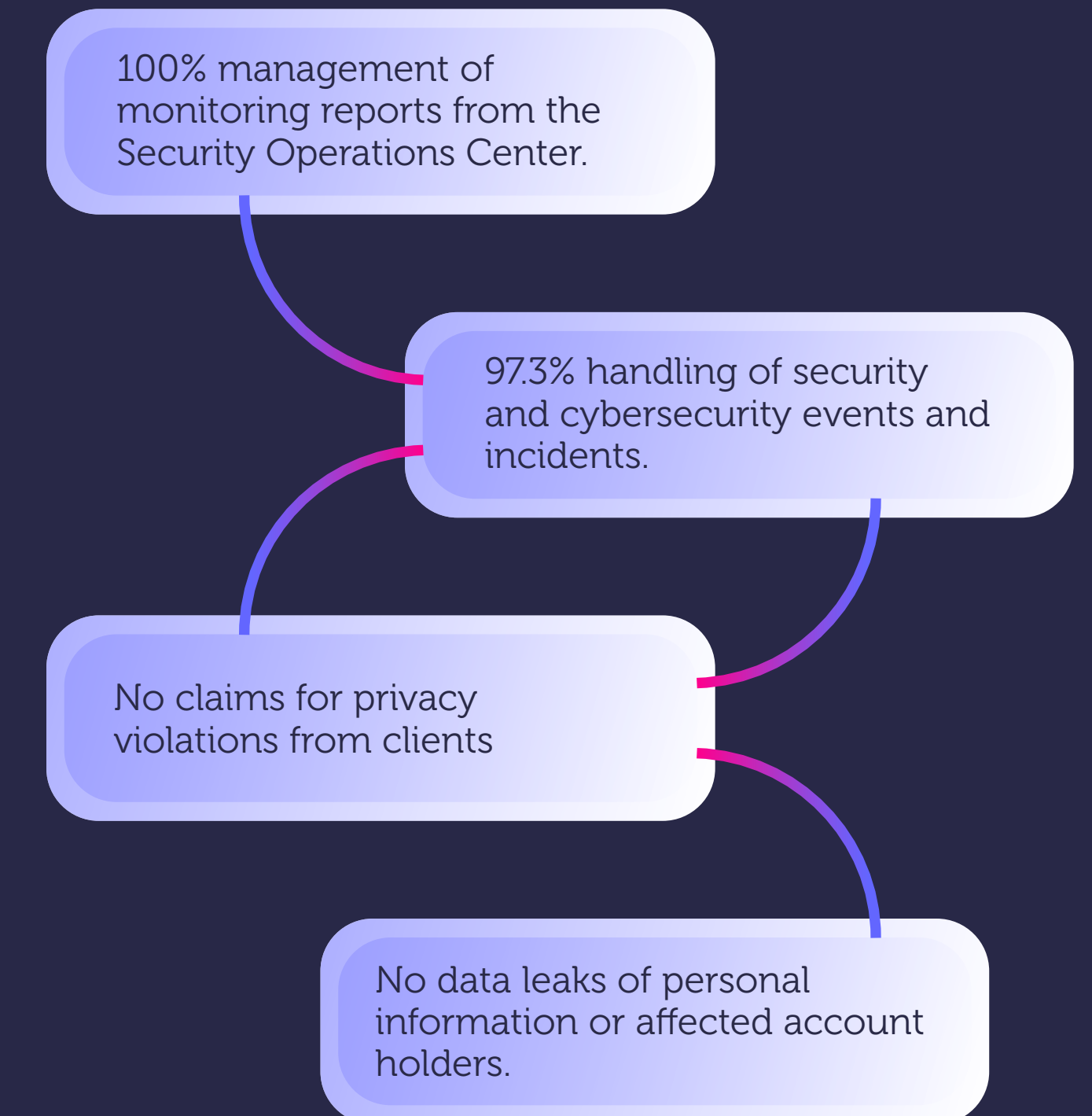
Additionally, we strive for effective management through three lines of defense:



Graph 44: Information Security Lines of Defense

From these activities, we have observed a series of positive impacts related to the protection of our own information and the privacy of our clients against various threats:

- Building trust with various stakeholders.
- Identifying and mitigating security and cybersecurity gaps in projects, products, and services.
- Compliance with current regulations.
- Strengthening the culture of security among our employees and reducing uncertainty associated with threats and vulnerabilities.



Graph 45: Information Security Achievements in 2023

During 2023, our entity faced difficulties in meeting the established activities in the work plan, mainly due to a lack of capacity in the department due to human resource vacancies. However, our goal for 2024 is to accelerate the implementation of 100% of the work plan.

Additionally, we were able to strengthen information security and cybersecurity controls through:

- Strengthening the management conducted by the Information Security Office regarding entity projects.
- Continuing to strengthen the culture of information security, cybersecurity, and personal data through interactive and dynamic strategies.

Short, medium, and long-term goals:

We will continue management under the consideration of norms, standards, best practices, our Strategic Plan, and expert evaluations.

Short-term goals:

- Continuously strengthen the culture of information security, cybersecurity, and personal data.
- Strengthen incident response management and access control.
- Continue to assure technological infrastructure.
- Continuously improve exercises and tests.

Medium-term goals:

- Implement identity and access management through robust solutions.
- Strengthen monitoring of the technological ecosystem.
- Generate projects to secure technological infrastructure.

Long-term goals:

- Develop and implement cyber resilience plans.
- Generate projects involving innovation in security according to global trends and adopt new solutions and practices.
- Have a solid security culture ingrained throughout the entity.



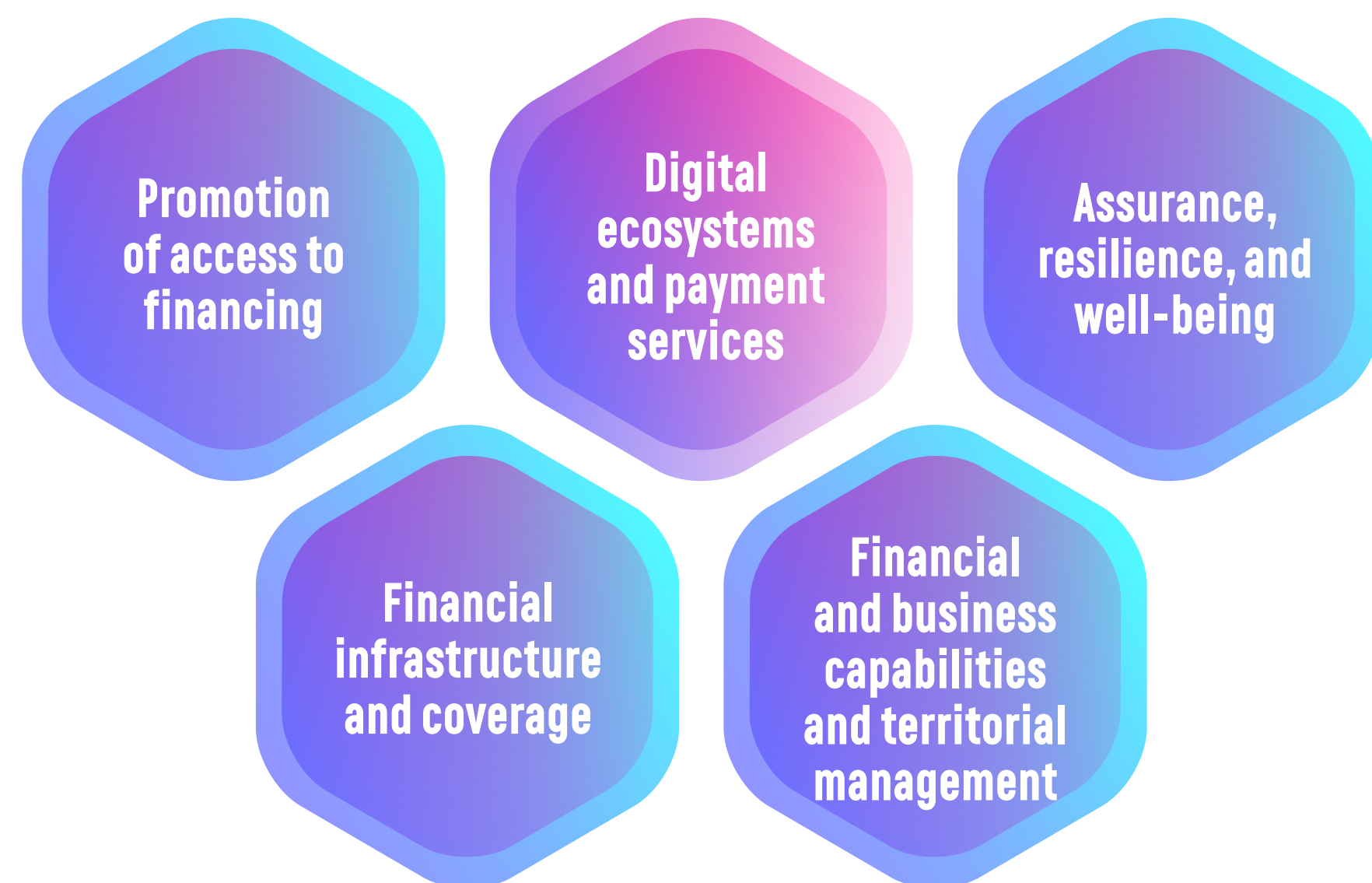
Bancoldex
as the administrator
of Banca de las
Oportunidades

Banca de las Oportunidades is an investment program managed by Bancóldex. Its objective is to promote access to financial services for families in poverty, unbanked households, micro-entrepreneurs, and small businesses.

From the Banca de las Oportunidades, we continue to promote access to and usage of financial products and services in all regions of the country. In 2023, given the National Government's interest in implementing a financial inclusion strategy for the popular

economy and under the leadership of the Ministry of Finance and Public Credit, Banca de las Oportunidades coordinated, with technical support from the Inter-American Development Bank (IDB), the design of the "Credit Inclusion Strategy for the Popular Economy", which was launched in March 2023.

We led and supported the design and implementation of 35 initiatives related to:



Graph 46 Credit inclusion strategy for the popular economy

The programs implemented in 2023 have allowed us to achieve multiple successes, primarily related to:

- Improving access facilities for the popular economy and the target population to a variety of products, services, and channels.
- Strengthening and/or accelerating the capacities of financial service providers to serve underserved or underserved segments.
- Promoting knowledge management in financial inclusion through specialized studies and reports.

At Bancóldex, we work on initiatives to contribute to the consolidation of an innovative, sustainable, and inclusive financial ecosystem, focusing on three main fronts:

- 1 Competitive intelligence or analysis of financial inclusion in the country.
- 2 Support to the supply or financial service providers for the design of products, services, methodologies, or channels that meet the needs of underserved or underserved populations.
- 3 Support for demand or financial education for the population to make informed and conscious financial decisions.

In this context, programs were designed and implemented, such as:

- Pilot of guarantees for the popular economy with the National Guarantee Fund.
 - Design of inclusive insurance for small accommodations with the Ministry of Commerce, Industry, and Tourism.
 - Chattel guarantees to facilitate access to credit for MSMEs.
 - Promotion of mobile and digital correspondents with 3 financial entities in rural municipalities and PDET.
 - Creation of the subcommittee on economic and financial education.
 - Restructuring and development of the government's financial education portal - "Pesos Pensados."
 - Expansion of rural financial coverage through cooperative correspondents.
 - Technical assistance to Fintech to promote access to financial and transactional services.
 - Specialized studies and reports on financial inclusion.
 - Program for the revitalization of inclusive insurance.
 - Co-creation workshop with the industry to determine guidelines and best practices for enhancing group credit.
 - Territorial management through education talks and financial rounds in municipalities.
- From the implementation of the mentioned activities, we achieved the following results:
- The access indicator in rural and dispersed rural municipalities reached 65.1%.
 - 3 financial institutions benefited from technical assistance to adapt models of generating employment using movable guarantees to facilitate access to credit for MSMEs.
 - Creation of the subcommittee for economic and financial education.
 - The coverage of 7 cooperatives was maintained with 100 correspondents opened and operating in 93 municipalities across the country through the Banca de las Oportunidades program.
 - Fintech companies benefited from technical assistance and co-financing to implement solutions to promote access to financial and transactional services for the popular economy.
 - Technical and financial support to 3 insurers to deploy more than 1,000 correspondents and ensure 9,400 people.
 - Nationally, 20 financial fairs were held in 19 municipalities across the country. More than 5,000 people from the popular economy attended. Likewise, there was participation from the network of financial allies, industry guilds, Confecámaras, Chamber of Commerce, and credit bureaus.
 - 11,064 people benefited from loans under the popular economy guarantee program.

63
financial events and
financial education talks
nationwide

11.064
operations or credits with
guarantees for the popular
economy population.

Graph 47: 2023 Results of the Banca de las Oportunidades



Goals for 2024 for the Banca de las Oportunidades:

- Conduct studies to measure financial well-being in Colombia, georeferencing with CGAP (geospatial analysis of banking correspondents in Colombia).
- Identify gender gaps in the Colombian credit market through an experimental study.
- Second round of the demand study for inclusive insurance.
- Open Data programs (Digilab Finance) for financial inclusion.
- Study on cooperatives (innovation and technology for digital payments).
- Implement a financial education program for San Andrés, Providencia, and Santa Catalina, as well as for the Venezuelan migrant population.
- Promote the project with Desjardins to promote digital products and services in cooperatives for the Popular Economy.
- Continue the Tenderos Hackathon.
- Execute the chattel guarantees program to improve access to credit for MSMEs with IFC.
- Expand correspondent coverage in rural and dispersed rural municipalities through the correspondent program.
- Launch the Government's financial education web portal, "Pesos Pensados," targeting low-income populations, women, rural areas, MSMEs, and people with disabilities.
- Develop the mobile correspondent program with a financial entity in rural municipalities and PDET areas.
- Promote insurance for small-scale productive units and populations in poverty or vulnerability.
- Design a toolkit to support micro-entrepreneurs in making green decisions.



Climate related matters (TCFD)

Material issue: Addressing climate change within the portfolio
GRI 3-3, 201-2

Climate change is one of the most significant global challenges, impacting the environmental, social, and economic dimensions of territories, posing important challenges for society, the business sector, financial institutions, and other sectors. According to the World Economic Forum (WEF), six out of the ten most relevant global risks for the world’s socioeconomic system in a 10-year perspective are related

to environmental and climate issues. These include failure in climate change mitigation and adaptation, natural disasters and extreme weather events, ecosystem collapse, and biodiversity loss.

In this regard, analyzing climate-related issues emerges as a relevant topic for the Bank’s strategic management, as it helps understand how climate change can impact the operations of the institution and those of its clients.

In our role as Colombia’s business

development bank, we play a significant role in the country’s climate agenda and its financing. Therefore, we have incorporated strategies, policies, plans, and actions into our business model that allow us to contribute to managing climate-related issues from the perspective of mitigation and adaptation, thereby contributing to achieving the following SDG targets:



- 13.1** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters.
- 13.2** Incorporate climate change measures into national policies, strategies, and plans.



- 15.a** Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems.

In this way, we advance in contributing to the country’s climate action with a focus on addressing the challenges that businesses, especially MSMEs, face, including decarbonization¹⁵, just and inclusive transition, economic resilience to climate dynamics, as well as climate risk management, among others. Therefore, in this chapter, we present Bancóldex’s progress on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) based on its four core elements: Governance, Strategy, Risk Management, and Metrics and Targets.

Table 30 SDG targets associated with the theme Addressing climate change within the portfolio

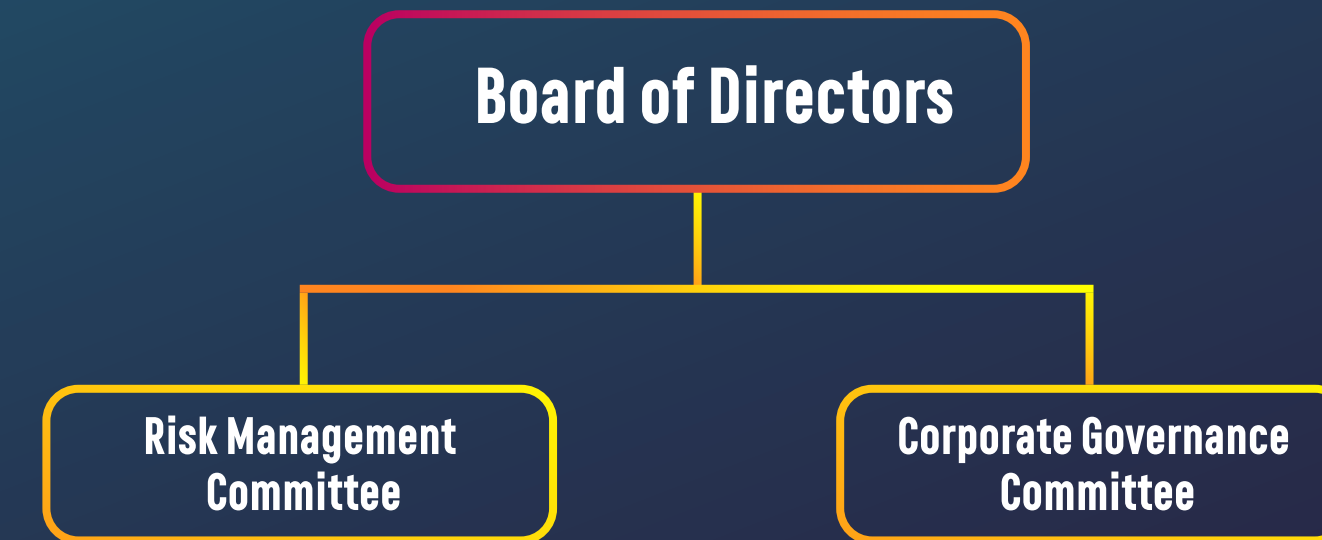
¹⁵ For more information, please refer to the Glossary section of this report.

8.1. Governance of climate-related matters

TCFD-G

Bancóldex's sustainability governance model and climate-related matters allow for the development of strategy and structuring processes for managing environmental, social, corporate governance, and climate issues, with clear roles and responsibilities for decision-making.

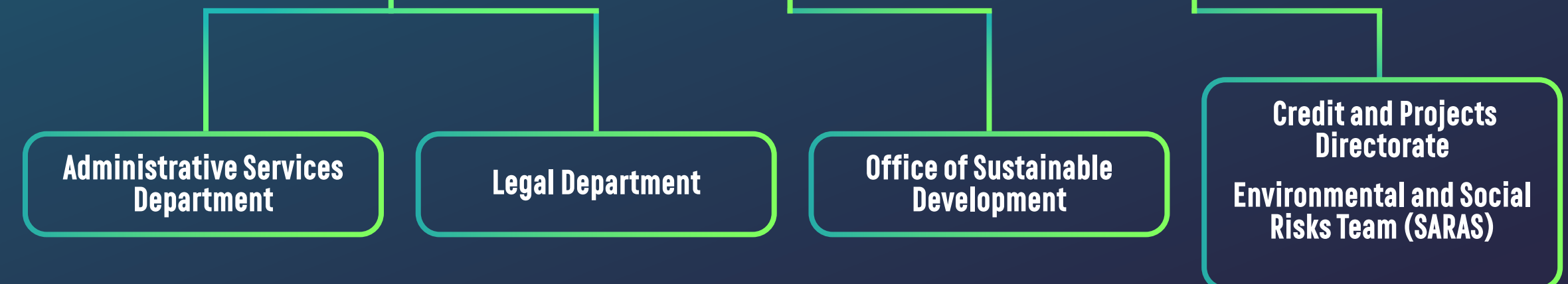
Board of Directors



Senior Management



Specialized Teams



Graph 48 Governance of Climate-Related Matters, Board of Directors

8.1.1. Board of Directors Oversight

TCFD-G-1

Our Board of Directors is the governing body with the non-delegable function of defining strategy, approving policies, and overseeing key matters. Regarding risks, including climate-related risks, the Board approves the risk policy, risk appetite, and its supervision.

Board Committees addressing ESG and climate matters

- The Risk Management Committee supports the Board of Directors in its periodic oversight of the effective implementation of Bancóldex's risk policy and approval of methodologies.
- The Corporate Governance Committee supports the Board in matters related to sustainability strategy. In 2022, the Board assigned the Corporate Governance Committee the function of analyzing, monitoring, and presenting to the Board

decisions related to the adoption and compliance with international standards, voluntary commitments, implementation of best practices, and recommendations from authorities on environmental regulations, sustainability, climate change, innovation, and digital transformation.

Role of Senior Management in Climate-Related Matters

TCFD-G-2

- The Vice Presidency of Risk and Credit leads the analysis and management of environmental, social, and climate risks in the Bank's credit operations. To this end, this Vice Presidency formulates guidelines, objectives, and management goals integrated into the Environmental and Social Risk Management System (SARAS), through which the management of these risks is carried out and information is generated to facilitate decision-making in the business.

- The Legal Vice Presidency manages the organization's Carbon Footprint for Scopes 1 and 2, and some categories of Scope 3 (water, waste, paper, air and land travel, and employee commuting). Likewise, this Vice Presidency leads the Bank's reporting on sustainability and climate change issues.
- The Corporate Strategy Vice Presidency leads and articulates the 2024-2026 Sustainability Strategy, as well as the design of the Climate Strategy. Similarly, this Vice Presidency develops financial and non-financial products, which include mobilizing resources for climate change management in the country's business sector, with an emphasis on SMEs.

In this governance structure, there is a reporting line where Senior Management presents reports related to the Bank's sustainability strategy to the Corporate Governance Committee and subsequently to the Board of Directors.

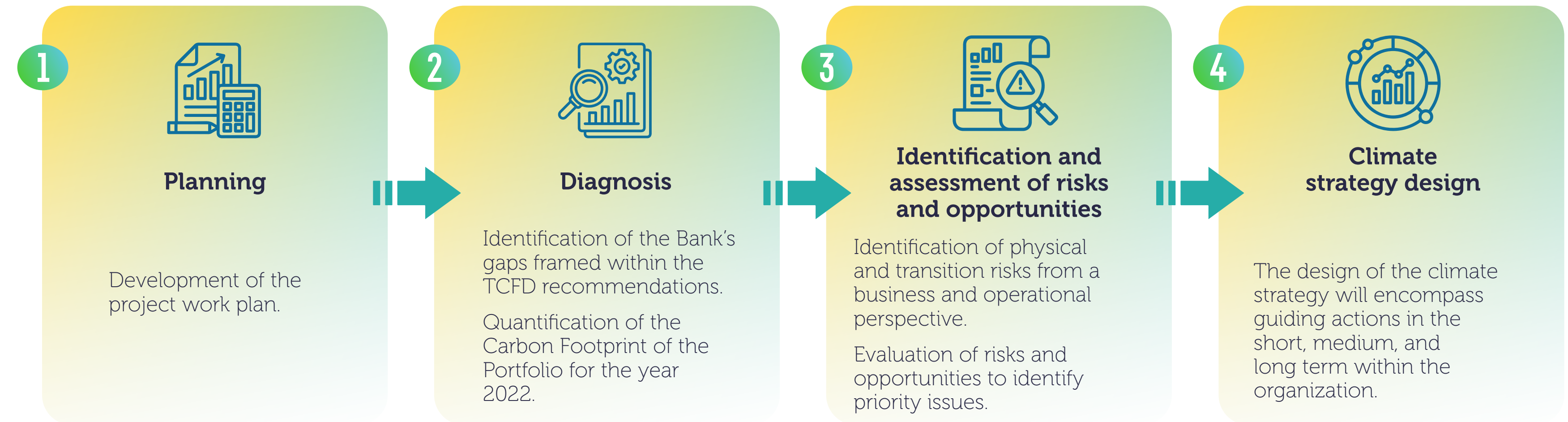
It is worth noting that during 2023,



we updated the job descriptions of employees involved in the direct management of climate-related matters.

8.2. Strategy to Address Climate Issues

TCFD-E



Graph 49 Climate Strategy Design Phases

Bancóldex has a sustainability strategy through 2026 from which progress has been made in managing ESG issues, including climate-related matters. This framework has allowed the entity to have a clear roadmap to address the challenges of sustainable development in the country's business sector, involving energy efficiency, circular economy, and bioeconomy.

However, given the nature and complexity of climate change and the challenges it poses for companies and financial institutions, the Bank decided to design a climate

strategy to guide actions to address climate-related issues in the short, medium, and long term within the framework of the Sustainability Strategy. This initiative is aligned with the work plan presented to the Financial Superintendence of Colombia for compliance with its External Circular 031 of 2021.

In this context, during the year 2023, the Bank made progress in designing the climate strategy, which is structured into four phases that we have advanced with the support of a specialized consulting team.

We concluded the first two phases of the project, planning and diagnosis, and progressed in the third phase related to the identification and analysis of climate-related risks and opportunities. In this regard, it is expected that the design of the climate strategy will be finalized in the first half of 2024.

In these terms, the results obtained in 2023 have allowed us to consolidate significant progress for the climate strategy:

- In the first phase, the work plan was structured and developed.

- In the second phase, Bancóldex's gaps concerning the TCFD recommendations were identified, aiming to strengthen the analysis and management of these issues. Additionally, the first measurement of financed emissions was conducted using the Partnership for Carbon Accounting Financials (PCAF) methodology, and progress was made in identifying climate-related risks and opportunities.

8.3. Climate Risks

TCFD-R

The identification and management of climate-related risks are under the responsibility of the Environmental and Social Risks team, which is part of the Risk and Credit Vice Presidency. They work together with the Financial Risk Management Department and the Operational Risk Management Office.

During 2023, we created understanding spaces as initial approaches to climate risks for the Risk and Credit Vice Presidency team and the Risk Management Committee. Additionally, we designed a three-year roadmap, defining actions to involve the climate variable in risk identification and management processes from the perspectives of credit, liquidity, market, and operational risks.

Simultaneously, with the support of an international external consultant, we conducted the first analysis of climate-related risks and opportunities with the portfolio for the year 2022, including scenario analysis. From the results, we found that in the corporate direct credit

and SME direct credit segments, concerning transition risks, the manufacturing industry, construction, and transportation sectors present a moderate risk level, representing 8% of the direct portfolio. However, under a scenario of increased coal costs, these sectors would shift to a moderate to high risk level.

Regarding the portfolio's exposure to physical risks related to climate change, the departments of Cundinamarca and Santander have a moderate risk level with a high concentration of the portfolio, posing a higher risk for the Bank but also a significant opportunity to define financial products for adaptation measures in those territories.

Being aware that the effects of climate change generate impacts on our clients and the Bank's portfolio, we continue with the implementation of the Climate Action Plan outlined within the framework of Circular Externa 031 of 2021 from the Financial Superintendence of Colombia.

8.4. Metrics and Objectives

TCFD-M

Greenhouse Gas Emissions Financed by Bancóldex in 2022

Greenhouse Gas Emissions Financed by Bancóldex in 2022

With the support of a specialized consulting team, we conducted the first measurement of the Greenhouse Gas (GHG) emissions inventory financed by Bancóldex's portfolio as of December 31, 2022. This information corresponds to category 15 of Scope 3 according to the GHG Protocol. For this purpose, we used the methodology developed by the Partnership for Carbon Accounting Financials (PCAF), an international organization that has developed a common standard for measuring and

disclosing GHG emissions associated with the activities of financial institutions.

This methodology addressed both Bancóldex's direct loans and loans made under its second-tier lending model. In this regard, we adapted the PCAF methodology for the rediscount model to include emissions from the ultimate beneficiary of the financing, not just those of the Financial Intermediary. This way, the sectoral analysis of financing channeled under this model is better integrated.

The measurement considered the following categories: (1) Commercial loans, (2) Vehicle loans, and (3) Project Finance, according to the methodology and available information. In this process, we reviewed the available information of operations with balances as of December 31, 2022, against PCAF information requirements. Subsequently, we included in the calculation only those operations that met all these requirements, achieving a measurement of 75.1% of the loan portfolio balance.

Using the data from the operations and loan portfolio balance, along with emission factors of assets and sectors, we conducted this initial calculation of financed GHG emissions. The results by business model are presented below.

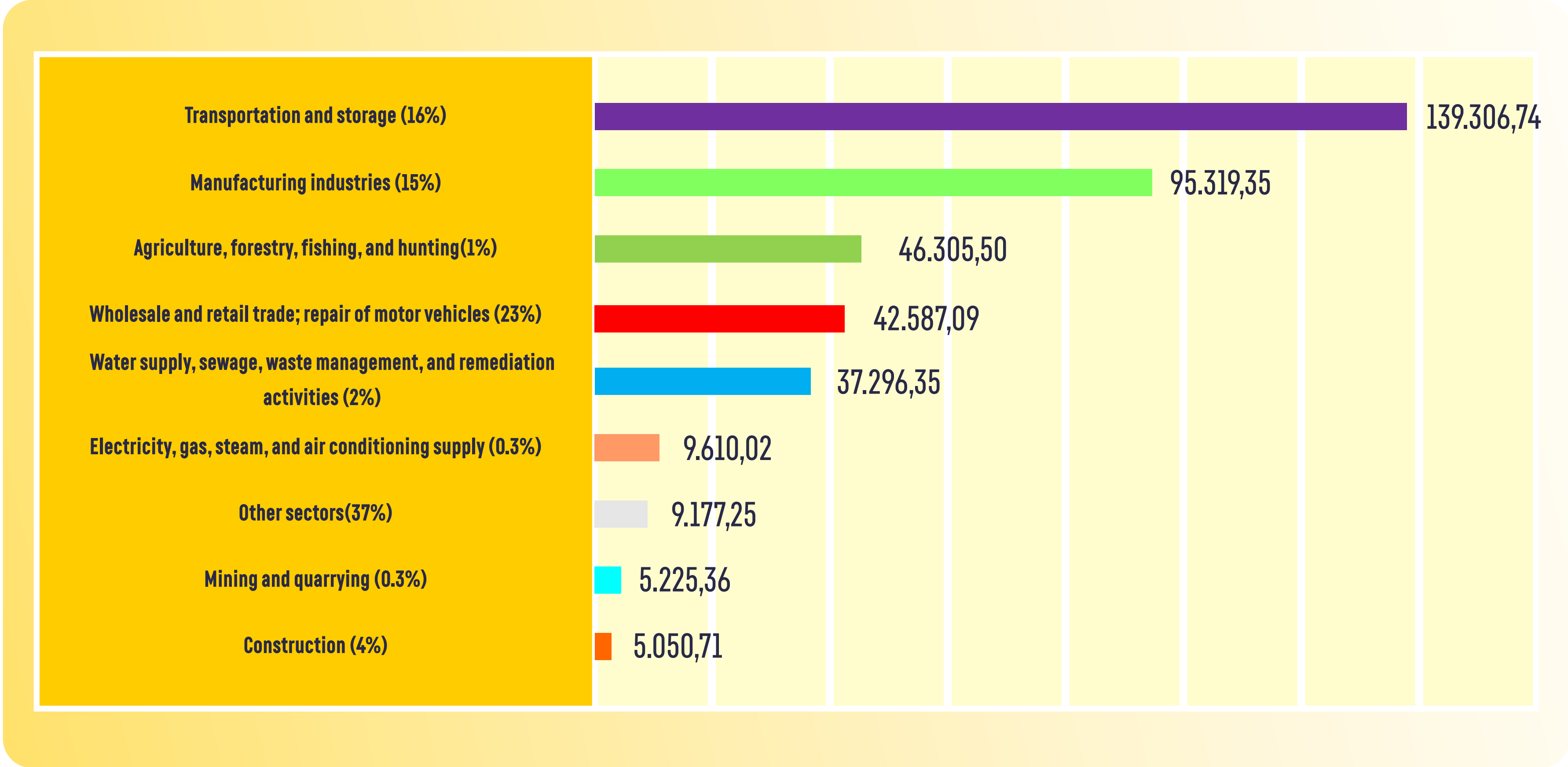
Table 31: Results of Financed Emissions 2022

Item	First Tier	Second Tier	Total Bancóldex
Financed Emissions 2022 (Ton CO ² eq)	279.358,27	428.537	707.895,27
Loan Portfolio Balance as of December 31, 2022	COP 1,1 billones	COP 5, 2 billones	COP 6,3 billion
Emission Intensity (Ton CO ² eq / Billion)	235,95	82,32	110,79
PCAF Note	4,12	4	4,04

These results show that the greenhouse gas emissions (GHG) financed by Bancóldex amount to 707,895.27 tons of CO₂eq, considering a portfolio balance of 6.3 billion in 2022, of which 60.5% are from the second-tier portfolio, and 39.5% correspond to direct credit. In this regard, it is observed that the carbon intensity per placed portfolio is higher in direct credit than in the second-tier model. These results have a PCAF score of 4.04, indicating that the quality of the result is good but can be improved, as this is the first exercise of calculation of this scope.

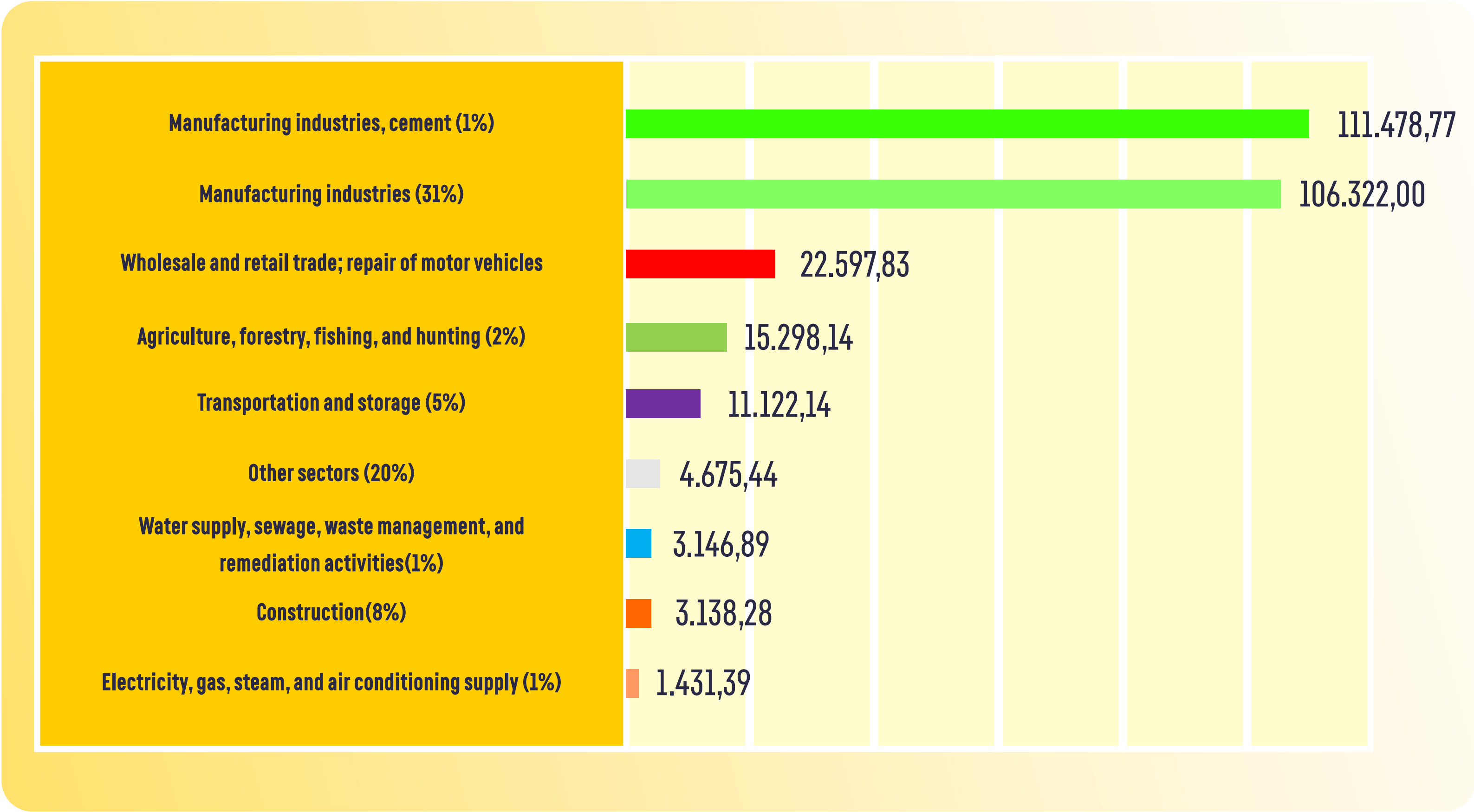
The second-tier model includes operations such as rediscounting, microfinance, interbank, and exports. On the other hand, the first-tier model includes direct credit and project finance operations. In these terms, the operations that contribute significantly to each model are rediscounting in the second tier and direct credit in the first tier. Graphs with disaggregation by macrosector for each of these models are presented accordingly.

Graph 49 greenhouse gas emissions financed through rediscounting by macro sector, (tCO₂e).



*The percentages reported in each sector represent its share in the rediscount portfolio

Graph 50 greenhouse gas emissions financed through direct credit by sector.



These results indicate that the sectors where the majority of the financed emissions in the rediscount portfolio are concentrated are: Transport and storage (35.7%), Manufacturing industries (24.4%), and Agriculture, livestock, forestry, and fishing (11.9%). On the other hand, in Direct Credit, the financed emissions are concentrated in the Cement Manufacturing sector (39.9%), Manufacturing industries (38.1%), and followed by Commerce (8.1%).

*The percentages reported in each sector represent its share in the direct portfolio

Environmental and Social Risks



9.1. Assessment and Management of Socio-Environmental Risks in the Portfolio

Material issue: Assessment and management of socio-environmental risks in the portfolio
GRI 3-3, FN-CB-410a.2; FN-IB-410 a.2; FN-IB-410 a.3

At Bancóldex, as a business development bank, we are committed to the prevention and mitigation of environmental and social risks. In this regard, we have an Environmental and Social Risk Management System (SARAS) that is part of the comprehensive risk management system (SIAR), through which we contribute concretely to the following Sustainable Development Goals (SDGs):



- 6.3** Improving water quality by reducing pollution, (...), halving the percentage of untreated wastewater, and significantly increasing recycling and reuse (...).
- 6.4** Substantially increase water-use efficiency across all sectors (...).



- 7.2** By 2030, significantly increase the share of renewable energy in the global energy mix.
- 7.3** By 2030, double the global rate of improvement in energy efficiency.



- 12.2** Achieve sustainable management and efficient use of natural resources.
- 12.5** Substantially reduce waste generation through prevention, reduction, recycling, and reuse activities.
- 12.6** Encourage companies (...) to adopt sustainable practices.



- 13.1** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters.
- 13.2** Integrate climate change measures into national policies, strategies, and plans.



- 14.1** Prevent and significantly reduce marine pollution of all kinds, especially pollution originating from land-based activities.



- 15.a** Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems.

Table 32 SDG goals associated with the material issue of assessing and managing socio-environmental risks in the portfolio

9.1.1. Environmental and Social Risk Management System (SARAS)

SARAS is the set of policies, processes, methodologies, and organizational structure that allows for the identification, analysis, mitigation, and monitoring of environmental and social risks in the operations financed by the Bank. This system is managed by a dedicated team of specialists within the Risk and Credit Vice Presidency. However, the management of the system

involves the entire organization.

Bancóldex's SARAS originated in 2017, with the Bank's initial efforts to identify environmental and social risks in credit operations. Since then, SARAS has been strengthened and evolved to align with the Bank's business strategy and structure, adopting best practices. Additionally, it is one of the main pillars of Bancóldex's sustainability strategy.



Graph 52: Bancóldex's sustainability strategy.

The SARAS covers the main businesses of the Bank, focusing on:

- I Corporate, structured, and project finance direct credit operations,
- II Direct credit operations for SMEs,
- III Second-tier operations through supervised and unsupervised financial intermediaries.

- Update of the exclusion list. Adjustment of the policy for direct SME credit operations.
- Definition of KPIs and KRIs that will allow monitoring and tracking of the system.
- Integration of the SARAS into the Bank's Comprehensive Risk Management System (SIAR).

In 2023, its improvement and strengthening continued:

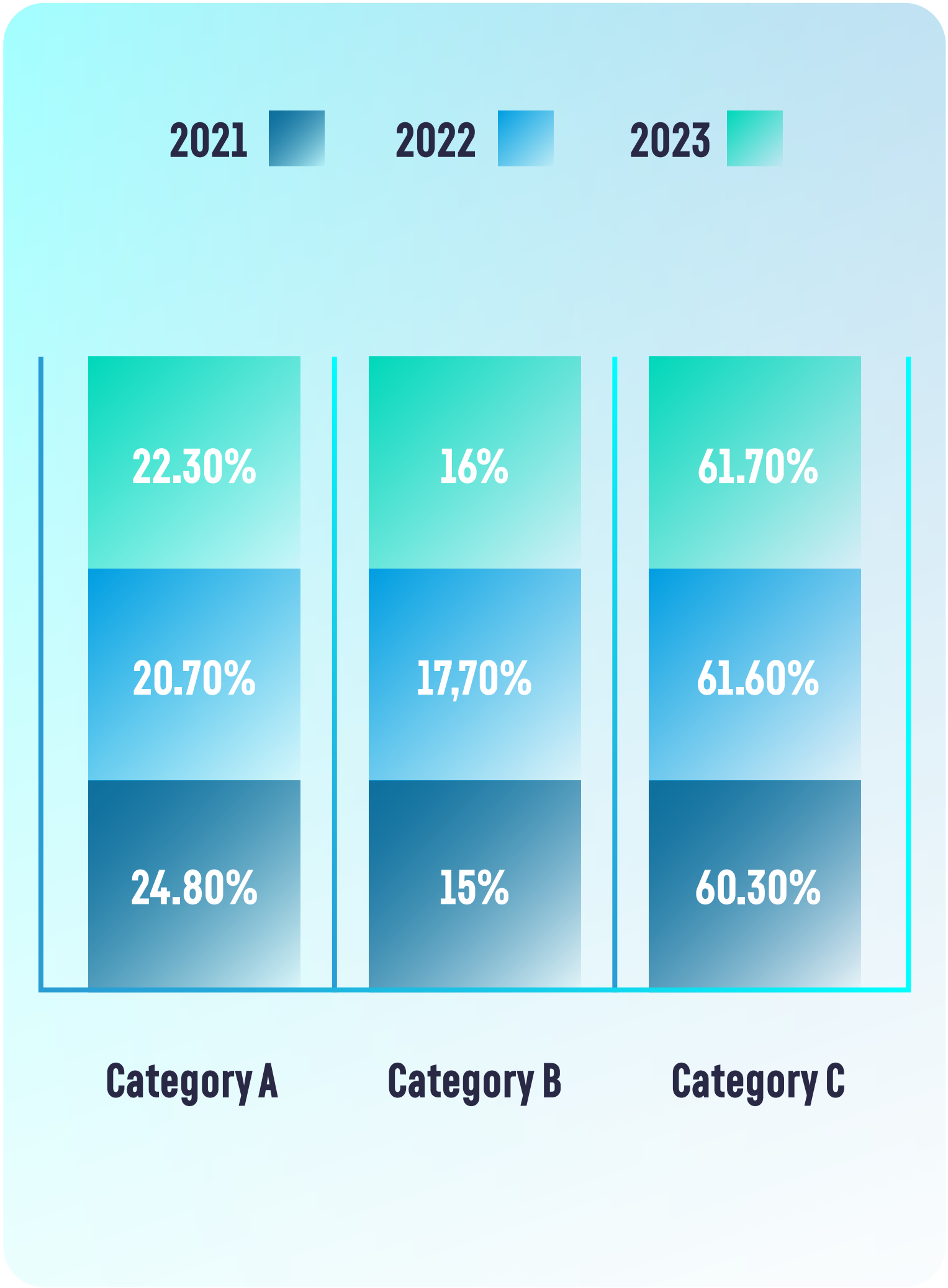
- We implemented methodologies and tools for the scope of direct SME credit operations and second-tier operations through supervised and unsupervised financial intermediaries, achieving satisfactory results by achieving 100% implementation of the current SARAS scope.

Categorization of environmental and social risks in the portfolio

For the bank, it is of great importance to monitor our portfolio regarding the exposure it presents to environmental and social risks, which allows us to take actions to mitigate reputational, credit, and legal risks. The exposure is determined based on the environmental and social risk categories defined by the International Finance Corporation (IFC) of the World Bank.



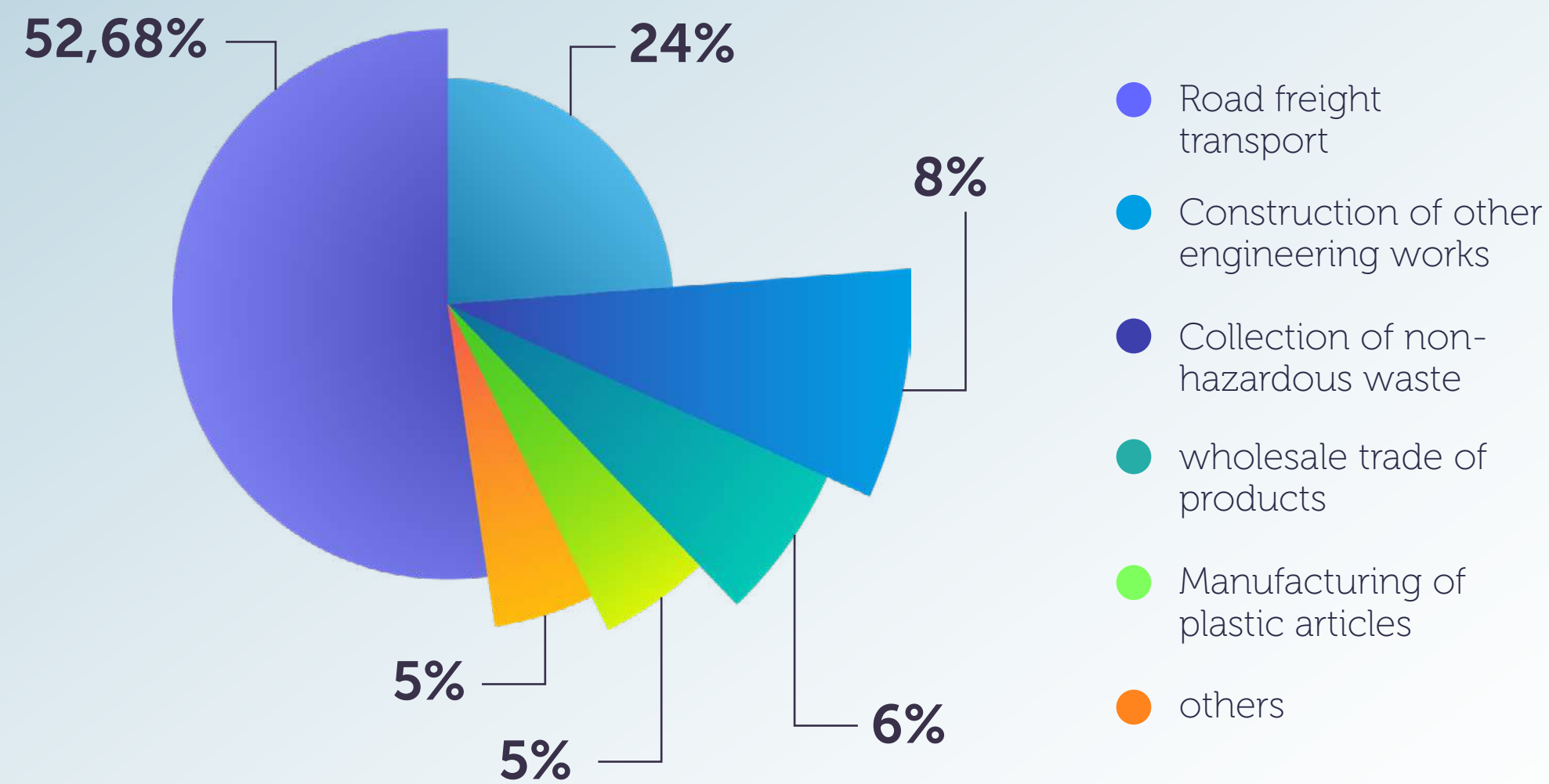
Table 33. Risks Categories



Graph 53: Portfolio classification by type of risk

The variation in risk distribution is justified by changes in resource allocation to new clients and the full repayment of financial obligations by other clients across all segments. The most significant percentage change occurred in risk type B, with a reduction of 9.60%, while the share of risks A and C increased

by 7.73% and 0.16% respectively. Credit operations in the portfolio with an environmental and social risk category A - High, which involve significant, irreversible, and unprecedented adverse impacts, are mainly represented in the following sectors:



Graph 54: Distribution of balance by sector (Risk A) (%)

In Bancóldex, with a more robust SARAS, we aim to be a leading bank in the financial sector in terms of proper management of environmental and social risks. We still face some challenges in the future, for which we have outlined a series of objectives in the short, medium, and long term as follows:

Medium Term:

- Incorporate climate-related risks into SARAS.
- Refine the methodology for measuring environmental and social risks in financial intermediaries through categorization and rating.

Short Term:

- Complete the SARAS strengthening project by the end of 2024 in collaboration with ERM.
- Incorporate the Environmental and Social Risk variable within the Bank's risk appetite framework.
- Implement continuous improvement processes in SARAS through monitoring of system KPIs and KRIs.

Long Term:

- Develop KPIs (Key Performance Indicators) and KRIs (Key Risk Indicators) that include climate risks, contributing to risk management, business opportunities, and monitoring of impacts on the portfolio.

10 Efficient Management



Efficient management is part of the foundations of the sustainability strategy and encompasses both efficient management of natural resources, as well as diversity, equity, and inclusion in human talent management:



Graph 55 Sustainability Strategy Bancóldex




13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters.

13.2 Integrate climate change measures into national policies, strategies, and planning.




14.1 Prevent and significantly reduce marine pollution of all kinds, especially that caused by activities on land.




6.3 Improve water quality by reducing pollution, (...), halving the percentage of untreated wastewater, and significantly increasing recycling and reuse (...).

6.4 Substantially increase water-use efficiency across all sectors (...).



15.a Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems.



7.2 By 2030, significantly increase the proportion of renewable energy in the overall energy mix.


7.3 By 2030, double the global rate of improvement in energy efficiency.



12.2 By 2030, achieve sustainable management and efficient use of natural resources.

12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse activities.

12.7 Promote sustainable public procurement practices, in line with national policies and priorities.



12.2 Achieve sustainable management and efficient use of natural resources.

12.5 Substantially reduce waste generation through prevention, reduction, recycling, and reuse activities.

12.6 Encourage companies to adopt sustainable practices.

10.1. Eco-efficiency - efficient management of natural resources

Material issue: Eco-efficient operation
GRI 3-3

We recognize the importance of environmental preservation and, therefore, manage the responsible use of natural resources, energy consumption, water usage, waste management, and sustainable sourcing. In this regard, with the aim of minimizing the environmental impact of our operations, we have developed

an Eco-efficiency Strategy for the period 2022-2024, focusing on reducing carbon footprint emissions and offsetting residual emissions generated by our internal operations, promoting circular economy with waste, encouraging sustainable sourcing, and transforming organizational culture.

Through these actions, which involve investments, operational changes, annual measurement of emissions, their subsequent verification by external sources to obtain Neutral Carbon Footprint certification, we contribute to achieving the following SDG goals:

Table 34 SDG goals associated with the material issue Eco-efficient operation

Here are the achievements obtained during 2023 within the framework of the four action axes of our Eco-efficiency Strategy:

Axis 1 - Reduce emissions:

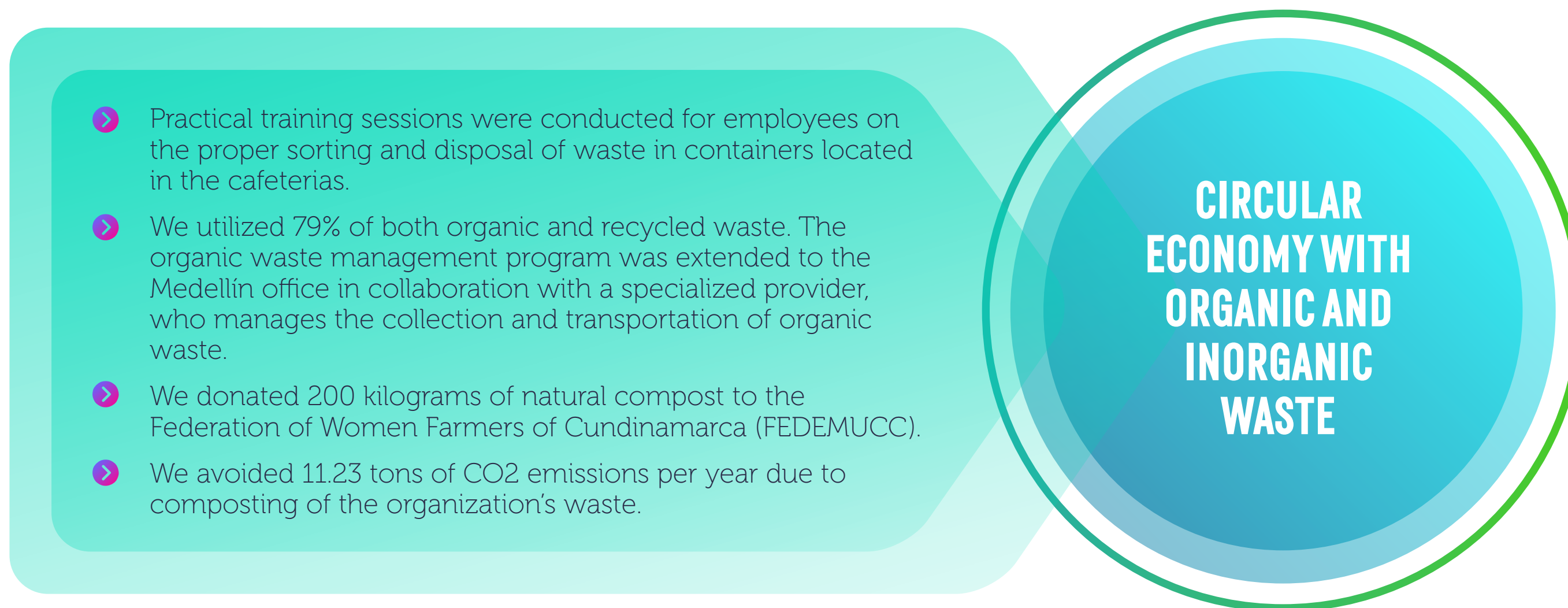
The components of this axis are aimed at developing actions for energy management; rational use of fuels, water, and paper; sustainable constructions; and residual emissions compensation.

<p>ENERGY MANAGEMENT:</p> <p>We achieved 100% coverage for the transition to LED lights, both in regional offices and in Bogotá.</p> <p>We conducted an energy efficiency consultancy, and based on the diagnosis results, we defined a short, medium, and long-term action plan.</p>	<p>FUELS, WATER, AND PAPER:</p> <p>100% of our installations have water-saving mechanisms.</p> <p>We implemented our own statistical system through flow reduction devices nationwide.</p> <p>We use paper reams made entirely from sugarcane bagasse.</p>	<p>SUSTAINABLE CONSTRUCTIONS:</p> <p>With the aim of reducing the ecological impact on the planet and promoting efficiency in our facilities, we carried out the construction of the Interactive Digital Transformation Room, where we used sustainable construction materials such as eco-friendly paints, LED lights, flooring with recycled components, furniture made from reused particleboard, as well as energy-efficient equipment</p>	<p>RESIDUAL EMISSIONS COMPENSATION:</p> <p>We conducted the second verification exercise of the greenhouse gas inventory for the year 2022 with ICONTEC, information that will allow us to establish goals and mechanisms for reducing GHG emissions and subsequently adopt compensation measures to achieve carbon neutrality.</p>
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Table 35 Axis 1 Components

Axis 2 - Circular Economy with Waste

This axis encompasses initiatives aimed at raising awareness among employees about environmental care, waste sorting and utilization, and other actions that improve environmental conditions for other populations or stakeholders.



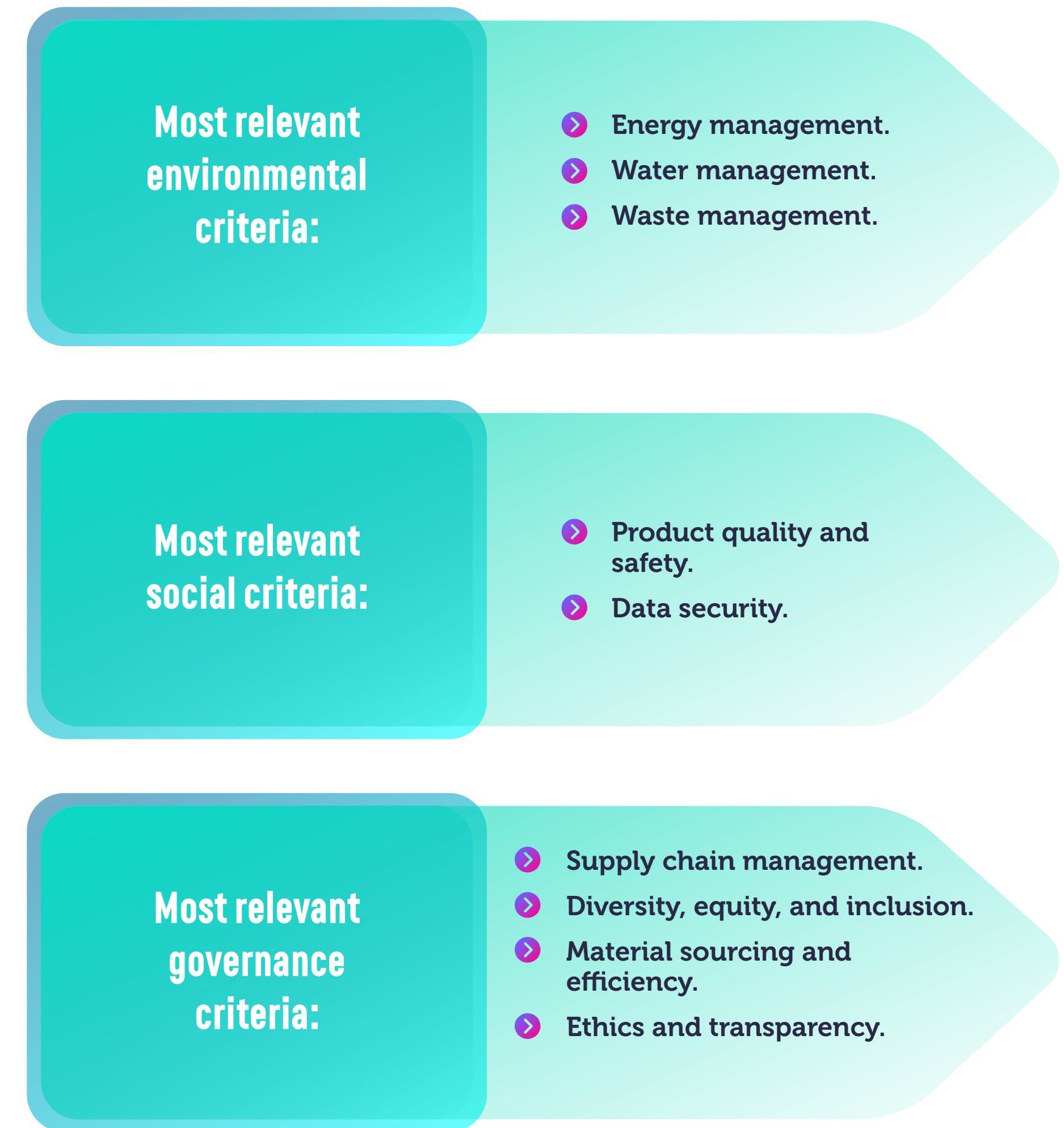
Gráfica 56 Axis 2 Achievements

Axis 3- Sustainable Procurement:

We advanced sustainable procurement processes by implementing contracting and procurement criteria that reduce environmental impact and promote efficient resource use. Additionally, we provided training opportunities for our suppliers.

We conducted an ESG (Environmental, Social, and Governance) characterization of prioritized suppliers to identify the most impactful environmental, social, and governance issues according to SASB (Sustainability Accounting Standards Board) standards and the Asobancaria Guide that may be of interest to them.

The identified topics were:



Graph 57 ASG Criteria Treated with Suppliers

We achieved 20% responsible purchases in 2023, compared to 4% in 2022

We promoted 3 training sessions for our suppliers

Graph 58 Supplier management achievements 2023

Webinar 1:

"Benefits of Corporate Sustainability, SDGs, Energy Management, Water Management, Waste Management, and Carbon Footprint Measurement".

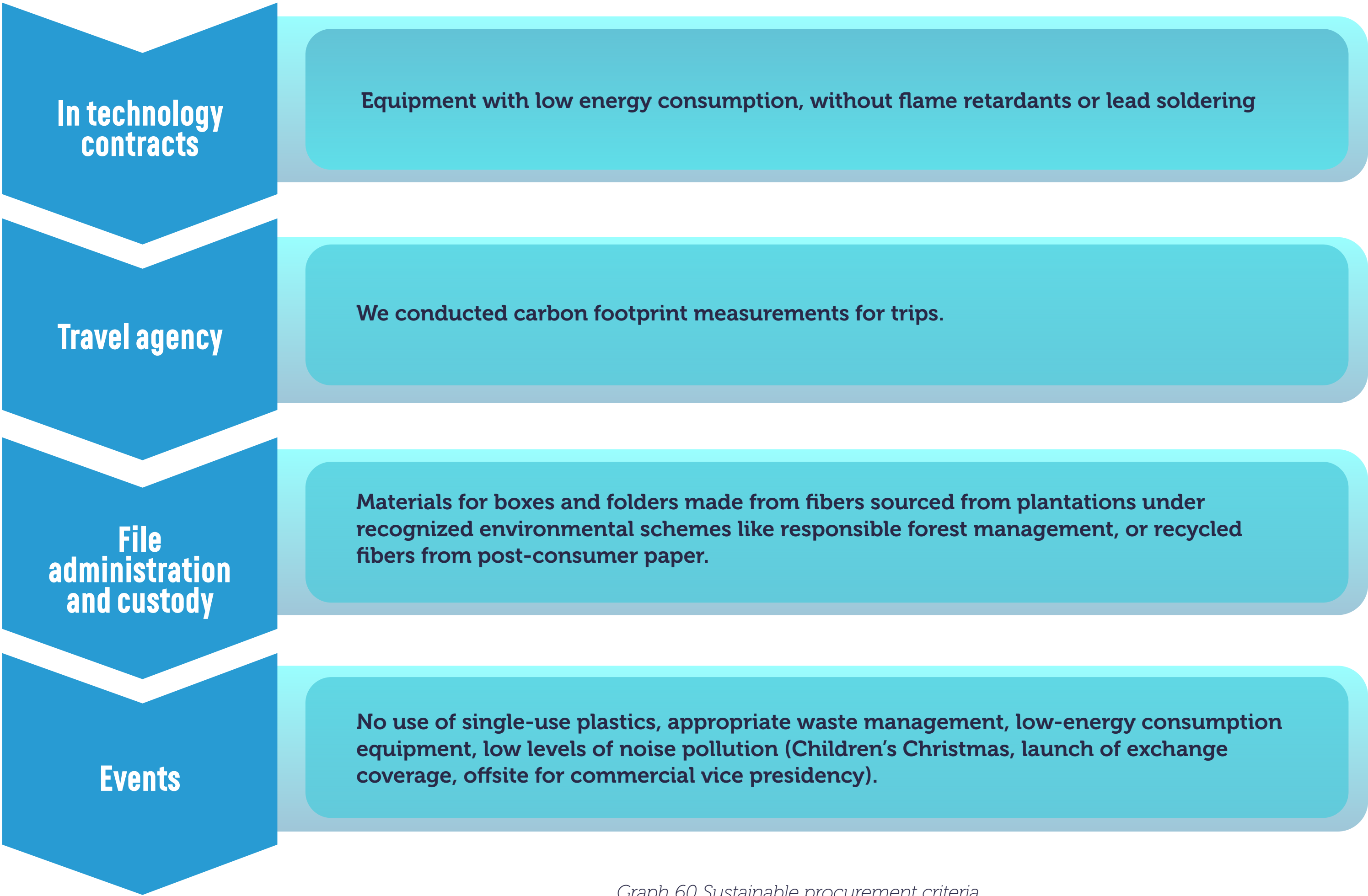
Webinar 2:

"Social Sustainability: Diversity, Equity, and Inclusion, Governance"
Total: 24 people and 17 suppliers

Additional training, in collaboration with the Ministry of Environment:

2023: "Program on Sustainable Public Procurement, sharing new technical specifications and understanding opportunities and challenges from the private sector for the implementation of Sustainable Public Procurement."
4 suppliers of the Bank

Graph 59 Training Spaces with Suppliers



Graph 60 Sustainable procurement criteria

Axis 4 - Cultural Transformationl

In 2023, we developed spaces to raise awareness and train our employees, aiming for greater ownership of the entity's environmental goals and motivating their participation in disseminating the information received in these spaces. Likewise, we disseminated and published communication pieces with messages promoting the lines of action of our eco-efficiency strategy, while also fostering well-being activities that encourage interaction with the environment and nature.

TRAININGS:

- 1. Individual Carbon Footprint Measurement: 37 employees.
- 2. Circular Economy with Waste: 29 employees.
- 3. Waste Classification: all floors of the offices in Bogotá.
- 4. Responsible Use of Cafeteria Supplies: all floors of the offices in Bogotá.

AWARENESS:

- 1. Christmas Event with the children of Bank employees, in an ecopark, with ecological trails, an eco-friendly place to integrate the family.
- 2. Barter activity in an ecological garden.
- 3. We promoted the concept of sustainability for Halloween decoration in all areas.

Table 36 Achievements Axis 4

Next Steps of the Eco-efficiency Strategy

This strategy has been designed with the aim of boosting institutional contributions to both national-scale commitments, including the reduction of carbon emissions by 51% by 2030 and carbon neutrality by 2050; as well as international-scale commitments outlined in the Paris Agreement to limit the average global temperature increase and achieve climate neutrality by 2050.

In 2024, we will emphasize the management of electric energy, based on the diagnosis of the energy efficiency consultancy carried out in 2023, and sustainable mobility, in addition to the work plan that will continue to address the four action axes and the reduction of carbon emissions from our organization.

10.1.1. Carbon Footprint - Scope 1, 2, and 3 emissions:

GRI 305 - 1 / TCFD-M-2; GRI 305 - 2 / TCFD-M-2; GRI 305 - 3 / TCFD-M-2

The Bank measures the carbon footprint following the "Corporate Accounting and Reporting Standard

- GHG PROTOCOL," developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

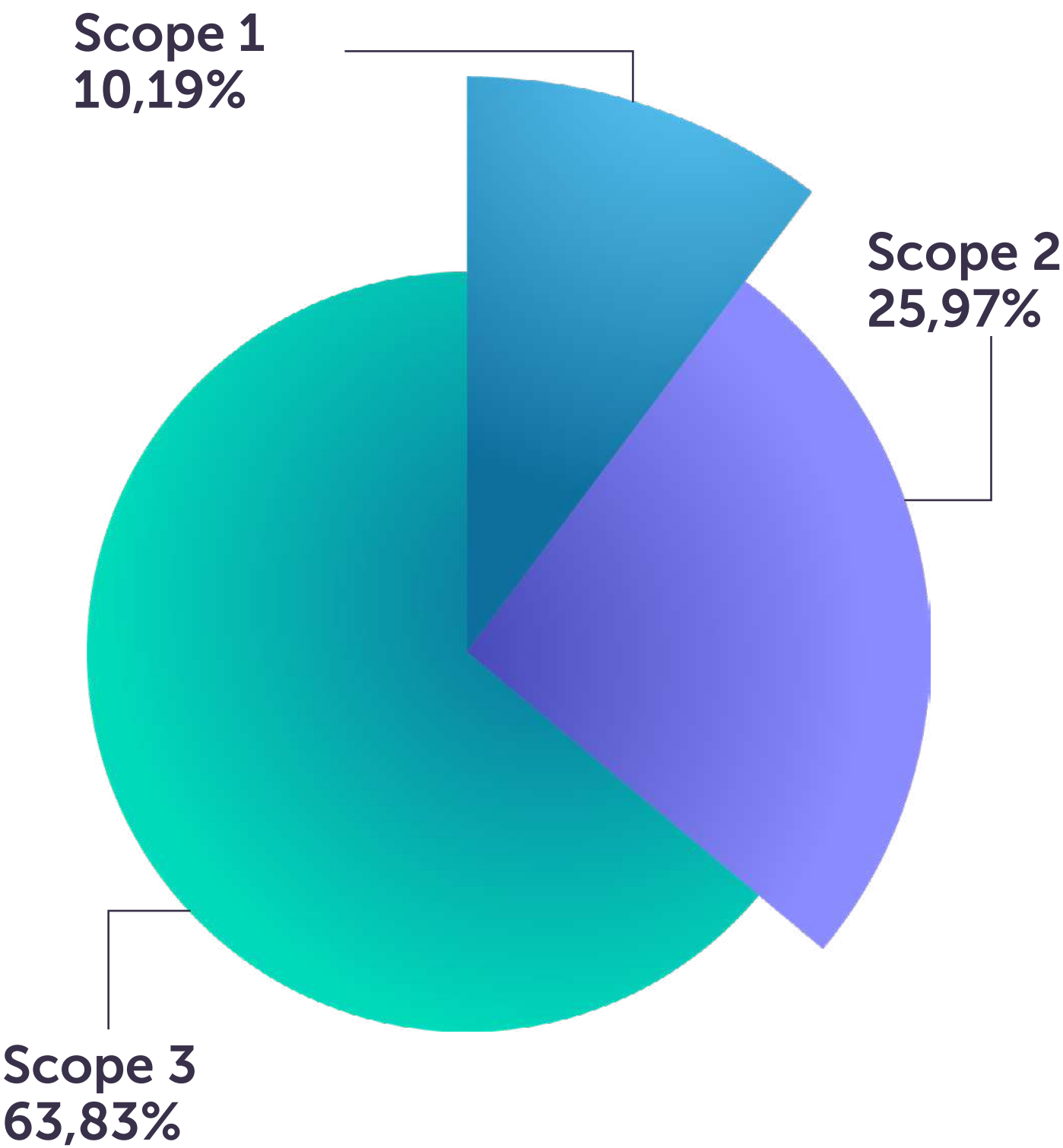
In 2023, the calculation of greenhouse gas emissions generated a total of 433.42 t CO₂e/year, representing a 28% decrease compared to the baseline (2021) and an 8% decrease compared to the emissions in 2022.

We took 2021 as the base year, considering that the organization deems 2021 to be the year with representative, reliable, and verifiable information compared to previous years. Additionally, it was the first year in which the inventory was verified by Icontec.

Scope	2021 (Ton CO ₂ e/year)	2022 (Ton CO ₂ e/year)	2023 (Ton CO ₂ e/year)
1	227,7	98,49	44,18
2	85,66	72,00	112,58
3	292,25	303,83	276,67
Total	605,61	474,32	433,42

Table 37 Tracking emissions over time by scope.

The 10.19% of emissions correspond to Scope I sources (Direct emissions), 25.97% to Scope II sources (Indirect emissions from electricity consumption), and 63.83% to Scope III sources (Other indirect emissions).



Graph 61 Emissions by Scope

Employee transportation	Daily employee commuting
	Employee transportation (national - land)
Operational activities	White bond paper
Bathrooms and hygiene	Drinking water
Waste management	Organic waste composting (wet base)
	Recycling of paper waste
	Recycling of cardboard waste
	Recycling of plastic waste
	Recycling of scrap metal waste
	Recycling of archive waste
	Recycling of folding waste (mix of cardboard and plastic)
	Recycling of glass waste
	Disposal of wood waste
	Disposal of ceramic waste
	Recycling of fabric waste
	Disposal of WEEE (Waste Electrical and Electronic Equipment)
Air transportation	Air travel

Table 38 Measurement Categories of Scope 3 Emissions for Bancóldex

The greatest reductions in the Organization’s Carbon Footprint in 2023 compared to 2021, our baseline, occurred in:

- The reduction in reported refrigerant gases from fixed sources, which had an impact of -51.14 tCO₂e/year in the GHG inventory, due to fewer maintenance activities requiring such refills in the organization’s air conditioning systems.
- The reduction of -42.94 tCO₂e/year in employee commuting emissions, where the impact of remote work becomes evident (although it was only for some months in 2023 and for specific employees) and the increase in sustainable transportation methods, notably the use of electric and hybrid vehicles, and greater use of less polluting transportation modes.
- The 13% reduction associated with the -4.86 tCO₂e/year decrease in emissions from fuel consumption in mobile sources, which can be related to the use of a more efficient modern fleet, including hybrid vehicles in 2023.

Additionally, it is worth noting that the main increase in GHG emissions for sources that had a positive variation is due to:

- The increase in emissions associated with electricity consumption, mostly due to the rise in the country’s electricity emission factor in 2023, caused by the effects of the El Niño phenomenon since May 2023.
- The increase in emissions associated with air travel by 18.4 tCO₂e/year, due to the increase in the number of flights undertaken by the organization, which, as evidenced, increased from approximately 800 flights in 2022 to more than 1150 in 2023.

10.1.2. Water Resource Management at Facilities

GRI 303-1; GRI 303-5

Water supply comes from local public utility companies where our administrative headquarters are located.

	2021	2022	2023	Variation (2022-2023)
Total water consumption in Bogotá (Megaliters)	3.540	3.846	4.051	5,33%

Table 39 Water Consumption Comparison

The increase in water consumption during 2023 mainly comes from the offices in Bogotá, where a 4.7% increase in volume used in the CCI building compared to 2022 has been observed, multiplied by the Bank’s ownership index. On the other hand, there has been a 37% decrease in water consumption in regional offices.

10.1.3. Waste Management and Disposal

GRI 306-3

In 2023, organic waste drove a 76% increase in non-hazardous waste, a situation related to the start of exclusive collection of these wastes.

On the other hand, the volume of Waste Electrical and Electronic Equipment (WEEE) decreased by 81% compared to 2022.

	2022	2023	Variation (2022-2023)
Total Hazardous Waste* (Kg)	1.553	295	-81%
Total Non-Hazardous Waste (Kg)	8.563	15.086,14	76%

Table 40 Generated Waste

Year	Organic	Recycled	Non-utilized
2023	7.808Kg	4.232 Kg	3.039 Kg
2022	2.696Kg	5.867Kg	20.850Kg

Table 41 Waste Comparison

It highlights the significant increase in the utilization of organic waste, given the implementation of composting points at the end of 2022, which remained in place throughout 2023.

10.1.4. Energy Consumption and Efficiency

GRI 302-1; GRI 302-3

We monitor energy use regularly, control its consumption, identify factors affecting it, and take measures to improve energy efficiency.

In 2023, most offices showed a similar energy consumption compared to 2022, with the exception of a slight variation in the Bogotá offices.

	2022	2023	Variation (2022-2023)
Annual consumption per employee*	795.89	803.29	0.93%
Internal energy consumption** (kWh/m²)	642.892	651,579	1.35%

* National consumption, Bogotá offices plus regional offices, excluding data center and emergency plant consumption, divided by the number of employees.

** Bogotá offices plus regional offices.

Table 42 Energy Consumption

Year	Consumption	Var
2021	671,961	
2022	642,892	-4.33%
2023	651,489	1.34%

Table 43 Energy Consumption Comparison

10.2. Human Talent Management

Material issue: Human Talent Management
GRI 3-3

At Bancóldex, we consider our employees as our greatest asset for continued growth and the necessary driving force to continue generating positive impacts on the country's development. With these convictions, we deploy programs and plans that are aligned with the Bank's strategic objectives, through which we aim to retain exceptional talent, provide opportunities for training, development, and growth, as well as create compensation, recognition, and well-being schemes in healthy and safe environments.

We have set out to work on change management to consolidate an organizational culture focused on digital transformation and innovation, in addition to having a diverse, equitable, and inclusive human talent, with access to opportunities, with which we work to eliminate barriers and promote participation and leadership, thus advancing our contribution to the following SDG goals:



5.5 Ensuring full and effective participation of women and equality of leadership opportunities (...) at the economic level.



8.5 By 2030, achieve full and productive employment and decent work for all women and men, including young people and persons with disabilities, and equal pay for work of equal value.

8.7 Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking, and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers, and, by 2025, end child labor in all its forms.

8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, particularly women migrants and those in precarious employment.



10.2 Enhance and promote social, economic (...) inclusion of all people, regardless of their age, sex, disability, race, ethnicity, origin, religion, economic status, or other condition.

Table 44 SDG Goals associated with the Human Talent Management material issue

We have a Diversity, Equity, and Inclusion Policy that is integrated into all processes, products, and services of the Bank, through which we not only advance gender equity among our employees but also empower Colombian women through financing for women entrepreneurs and businesses led by members of

vulnerable populations.

The strategic framework for talent management at Bancóldex also includes, among others, the following policies and initiatives:

- Occupational Health and Safety Management System
- Performance Management Model
- Work Environment Management
- Team Development Management
- Training and Development Programs

- Health and Wellness Programs:
- Sanamente (Healthy Living)
- Yo Cuento (I Count)
- Mi Ahorro, Mi Futuro (My Savings, My Future)
- Construyendo Futuro (Building Future)
- Pasantías de Verano (Summer Internships)
- Programa de Personas en Condición de Discapacidad (Program for People with Disabilities)
- Política de Diversidad e Inclusión (Diversity and Inclusion Policy)
- Modelo de Gestión del Cambio (Change Management Model)

Graph 62 Human Talent Policies and Initiatives Bancóldex

During 2023, we promoted the following actions in relation to these purposes:

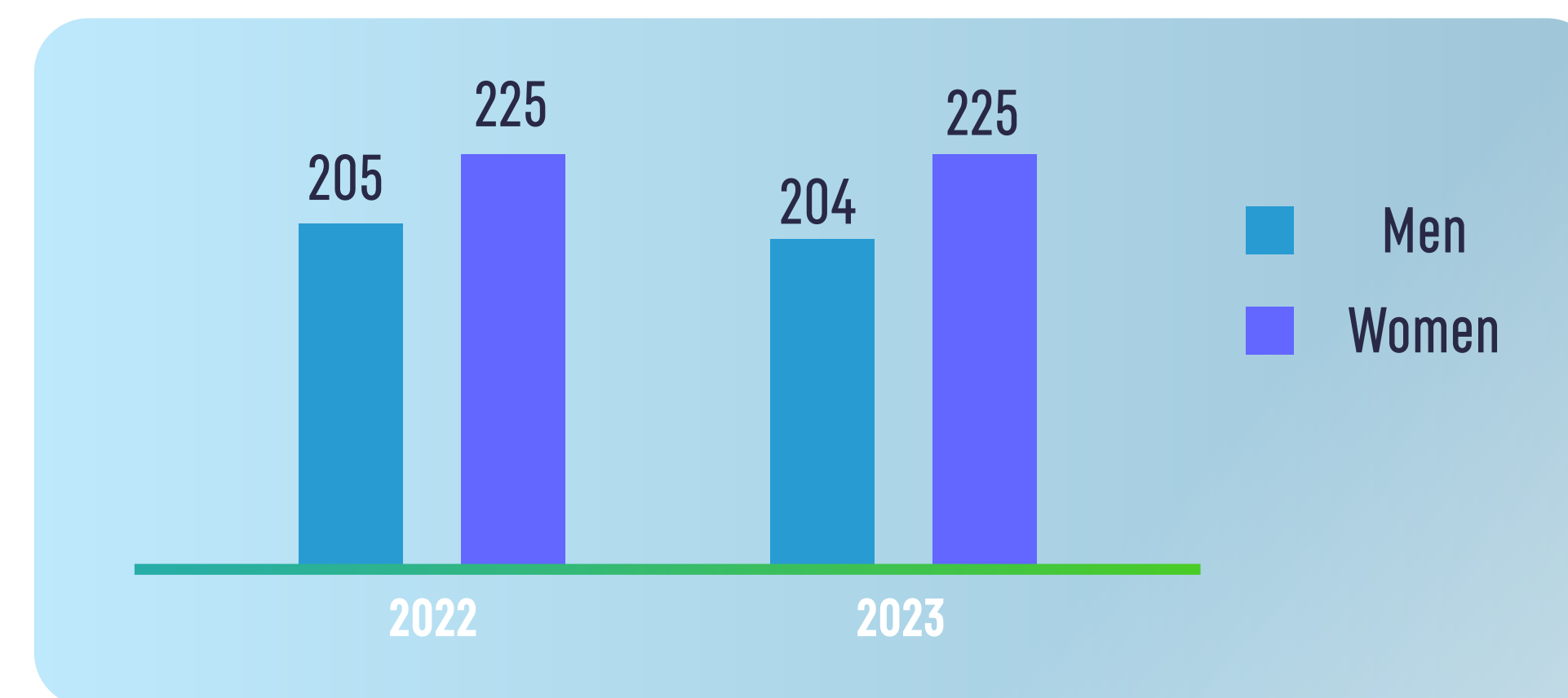
- Definition and socialization of the disability program, aiming to promote a culture of workplace equality and non-discrimination and ensure equal opportunities for all Bancóldex employees.
- Definition and implementation of the protocol for preventing and addressing sexual harassment and/or discrimination in the workplace.
- Definition and implementation of the Bancóldex work disconnection policy.

- Inclusion of the approved diversity, equity, and inclusion policy for the Bank in the code of ethics.

10.2.1. Our Employees

GRI 2-7; 2-8

During 2023, the composition of our team remained stable with 429 employees, of which only 1 was employed under a fixed-term contract. Thus, the gender distribution during the period was 204 men and 225 women.



Graph 63 Gender Distribution of Bancóldex Employees

10.2.1.1. Gender Equality

SASB [FN-IB-330a.1]

In line with our commitment to make a concrete contribution to the goals of SDG 5 and SDG 10, we seek to enrich the diversity and inclusion of our workforce, consolidating

equity as the main characteristic of our team and addressing any representation inequality that may exist within the Bank.

Position Level	Women %	Men %
Senior Management	45%	55%
Middle Management	44%	54%
Individual	54%	46%
Overall Total	52%	48%

Table 45 Gender Representation in Bancóldex 2023

10.2.1.2. Talent Attraction and Retention

GRI 401-1

During 2023, 60% of the new employees who joined the Bank were female, reflecting Bancóldex’s commitment to equity and equal opportunities and the implementation of these policies in the selection and development processes of our human talent.

Although the majority of the hires were made in Bogotá, the values presented in the following table show the incorporation of people of different age ranges and cities into the Bank’s team.

Region	Age Range (years)	Women(%)	Men (%)
Bogotá	20 a 30	32	13
	31 a 40	9	17
	41 a 50	17	4
Medellín	31 a 40	0	2
	41 a 50	0	2
Montería	31 a 40	0	2
Popayán	31 a 40	2	0
Total	-	60%	40%

Table 46 Bancóldex Hires 2023

Also in 2023, we recorded 51 departures, 21 departures less than those presented in 2022. Bogotá was the city with the most departures at 89%, and the age range between 31 to 40 years had the highest frequency at 98%. The staff turnover for the year was 11%.

Region	Age Range (years)	Age (%)
Bogotá	20 a 30	14%
	31 a 40	31%
	41 a 50	20%
	Mayores de 50	24%
Medellín	31 a 40	2%
Montería	31 a 40	2%
Pasto	31 a 40	2%
Popayán	31 a 40	2%
Medellín	31 a 40	2%
Santa Marta	31 a 40	2%
Villavicencio	41 a 50	2%
Total	-	100%

Table 47 Bancóldex Departures 2023

10.2.1.3. Well-being and benefits

GRI 401-2

Well-being is a key aspect of human talent management at the Bank and is characterized by an offering of options that promote a balance between personal and work life, support in specific situations, as well as savings and retirement planning, among other options described below.

Prepaid Medicine:

We cover 100% of the contract value for our employees or the value the Bank would pay for an employee within the Prepaid Medicine contract as reimbursement for using another prepaid medicine. We support the employee with a percentage of the prepaid medicine contract value for their family group ranging from 40% to 90%.

Life Insurance:

We offer 100% of the premium value for life insurance with coverage for death, total and permanent disability, and critical illnesses. Coverage of 28 times the salary.

Funeral Insurance:

We offer 100% of the premium value for funeral insurance.

Live Well Program:

We encourage employee savings and participation in recreational, cultural, and sports activities with their families.

Work-Life Balance:

(i) 3 days at Easter, charged to vacation days; (ii) one week in December without charging vacation days.

Vital Retirement Program:

We provide comprehensive support to employees nearing retirement through training, corporate Prepaid Medicine plan rates, and a bonus of 3 salaries for timely submission of documents.

Credit

All Bank employees who take 15 consecutive vacation days are eligible for a loan with 0% interest, a term of 1 year, and up to COP 4,000,000.

Housing Loan:

We offer housing loans to employees with 2 years of tenure, with a term of up to 15 years, and an interest rate of 6% per annum

Vehicle Loan:

We provide vehicle loans to employees with 1 year of tenure, with a term of up to 5 years, and an interest rate of 6% per annum.

Table 48 Bancóldex Well-being and Benefits Programs and Initiatives

In 2023, the Bank achieved a “very satisfactory” level with a rating of 59 points on the Work Environment Index, allowing us to receive Great Place to Work certification for the fourth consecutive year.

Also, in this year, we implemented the hybrid work model (1 day at home and 4 days in the office) with the purpose of deploying new work schemes that contribute

to improving the well-being and mobility of our employees.

Maternity and Paternity Leaves

GRI 401-3

In addition to ensuring the legal right to maternity and paternity leave for our employees, we support the

exercise of their personal and family roles, in line with our institutional commitment to their well-being. During 2023, 2 employees accessed paternity leave rights and returned to work after enjoying that period.

development of the human team, with knowledge management, performance, and recognition being the main drivers and tools for continuous improvement and transformation of Bancóldex’s talent.

During 2023, the average training hours for women were 14.5, higher than those for men, who had an average of 13 hours. The participation in training events by Senior Management increased from an average of 27.42 hours in 2022 to 38.4 in 2023.

Table 49 Average training hours by gender 2023

10.2.2. Employee Development

GRI 404-1

The achievement of institutional objectives and the fulfillment of the Bank’s strategic goals rely on the capabilities, retention, and

	2022	2023
Total average training hours for employees	22	14,1
Average training hours for men	23,9	13
Average training hours for women	20,4	14,5

Table 49 Average training hours by gender 2023

	2022	2023
Average Hours Senior Management	21,42	38,4
Average Hours Middle Management	18,79	13,1
Average Hours Professional Positions	19,86	11,3
Average Hours Support Positions	30,38	9,8

Table 50 Average Training Hours by Job Level 2023

In terms of the leadership development and succession plan for critical positions, we continue with the implementation of the “Building the Future” program with the following actions:

- a Career Plans:** Structuring and implementing training and development plans for new leaders and for those employees identified in the talent classification as potential leaders, with 25 participants.
- b Succession Plans:** Definition and implementation of development experiences for 25 employees identified in the talent classification as potential

successors to director or vice president positions.

c Individual Sessions “Building the Future”:

Creating spaces for conversation and support in identifying areas of development, with 20% of employees not identified as successors.

As part of the pilot to adopt the change management model, in 2023, we implemented the following actions:

- a** Training and development for 20 employees from different

areas of the bank as change management ambassadors.

- b** Support for three impact projects for the bank, involving the tools defined in the model, to assess their relevance and impact and verify their progress for implementation.
- c** Training and support for a group of bank employees in the development of competencies related to their performance plan, using strategies and tools from the change management model.

employment, contractors, and strategic allies.

To ensure the appropriate identification of hazards and risks in safety and health, we apply the hierarchy included in the Colombian Technical Guide GTC 45, a process that also helps us define programs and actions according to the bank’s situation, establish medical-labor restrictions and recommendations for handling cases of workers unable to perform any work activity, and address safety and health incidents through vulnerability analysis, prevention and emergency response plans, and standardized operational plans, complemented by the Business Continuity Plan.

The email address copasst@bancoldex.com and the OHS professional’s email are available for addressing situations related to the safety and health of employees.

10.2.3. Health and Safety

GRI 403-1; 403-2; 403-4; 403-8;

We manage the institutional objective of providing healthy and safe environments for our employees through the Occupational Health and Safety system - OHS, a tool that covers 100% of our direct employees and individuals with temporary

// **20% of employees made verbal or email requests related to the Occupational Health and Safety Management System - OHSMS in 2023.** //

10.2.3.1 Training and promotion of health and safety

GRI 403-5; 403-6

Throughout the year 2023, we conducted occupational health and safety (OHS) training sessions and activities, designed considering the causes of absenteeism, occupational medical examinations, and information associated with the health insurance service. The trainings and programs conducted contributed to the increased coverage of our system and the participation of employees in various aspects:

- The OHS induction for new employees addresses topics such as the emergency brigade, the

COPASST (Joint Health and Safety Committee), the Labor Coexistence Committee, as well as programs in Mental Health, Biomechanical Risk Management, and self-care actions.

- The "Sanamente" program throughout the year includes activities promoting individual, mental, and family health, as well as the promotion of movement and physical activity. These actions saw the participation of 1448 individuals including employees and contractors.



Graph 64 OHS training data 2023

We complement these training sessions with prevention and health care campaigns deployed through emails, communication pieces, talks, and workshops, in addition to the medical management provided by the corporate medical service, the collective prepaid medical insurance policy that covers our employees and their families, and specific programs on the following topics:

- Biomechanical risk prevention program
- Psychosocial risk prevention program
- Support in rehabilitation and return-to-work processes.

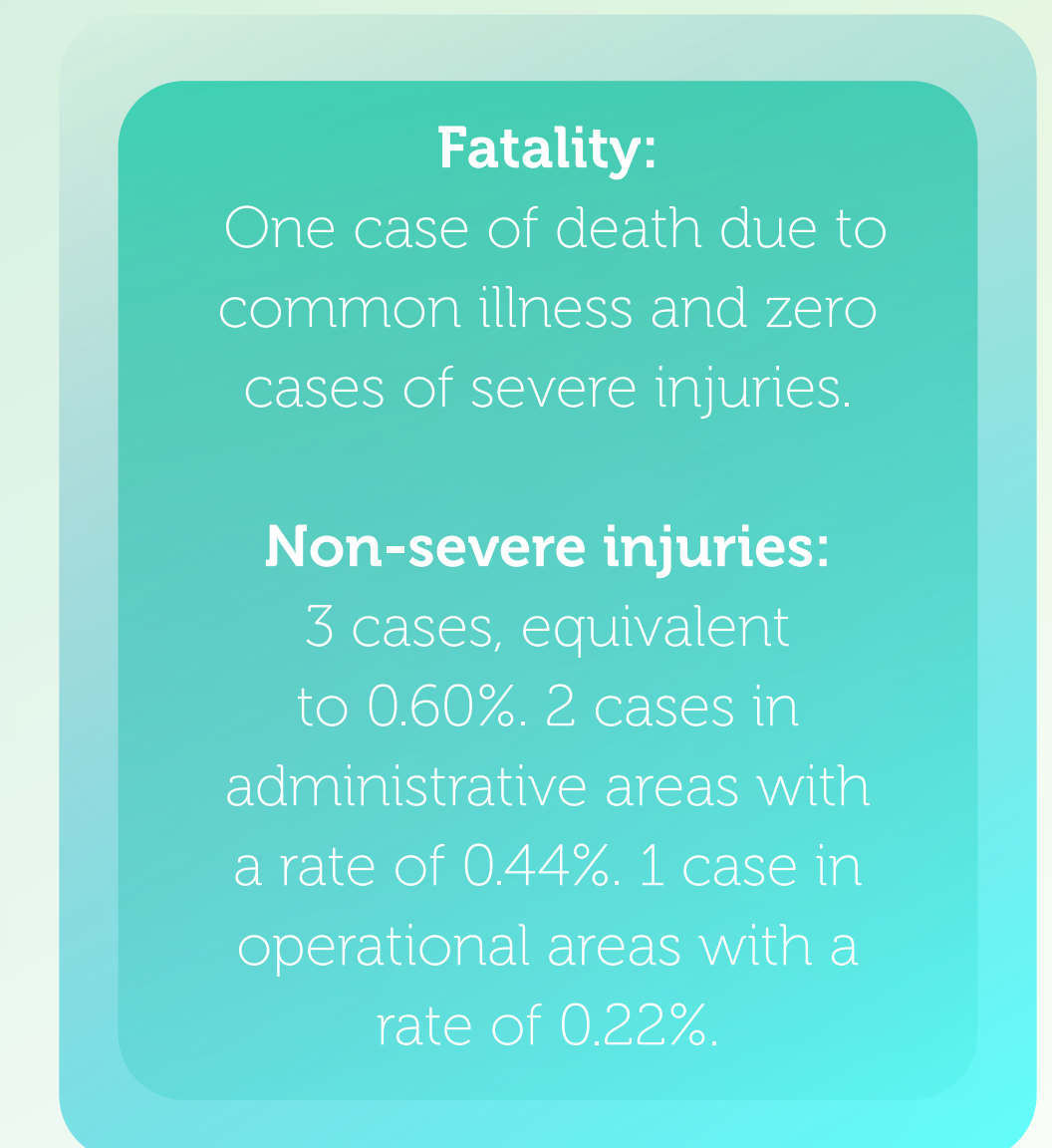
10.2.3.2. Risk Management and Key Health and Safety Data

GRI 403-9; 403-10

Through area inspections and monitoring of incident reports or hazardous conditions that could affect health, we identify care practices and habits that protect our employees' health and help eliminate

workplace hazards and minimize risks. These are disseminated through prevention communications and signage.

As a result of all these actions, we did not record any occupational diseases, and we managed to maintain our labor frequency, severity, and disabling injury rates at zero (0).



Graph 65 Key H&S Data 2023

	2021	2022	2023	
Lost Time Injury Frequency Rate (%)	0.67	1.11	0.66	The lost time injury frequency rate decreased, attributed to a reduction in the number of incidents during the year.
Lost Time Injury Severity Rate (%)	0	2.44	1.54	The lost time injury severity rate decreased, as the incidents reported resulted in fewer days of incapacity.

Table 51 Bancóldex Work Accident Indices



GRI / SASB / TCFD

GRI / SASB / TCFD

Statement of Use		Banco de Comercio Exterior de Colombia S.A (Bancóldex) has reported in accordance with the GRI Standards for the period from January 1, 2023, to December 31, 2023.		
GRI 1 used		GRI 1: Foundations 2021		
Applicable Sector Standards		N/A		
GRI Standards / Other sources	Contents	Location	Omissions	
			Omitted requirements	Reasons
Contenidos generales				
GRI 2: General disclosures 2021	2-1 Organizational details	4. Our Bank / 4.1 We are Bancóldex, Colombia’s business development bank. P. 15		
	2-2 Entities included in the organization’s sustainability report	3. About this report. P. 10		
	2-3 Reporting period, frequency, and contact point	3. About this report. P. 10		
	2-4 Restatement of Information	3. About this report. P. 10		
	2-5 External verification	It does not have external verification		

	2-6 Activities, value chain, and other business relationships	4. Our Bank / 4.1.1. Corporate Strategy 2022-2026. P. 16		
	2-7 Employees	10. Efficient Management / 10.2.1. Our Employees. P. 118		
	2-8 Non-employee Workers	10. Efficient Management / 10.2.1. Our Employees. P. 118		
	2-9 Governance Structure and Composition	5. Corporate governance and ethics / 5.1. Corporate governance. P. 42		
	2-10 Appointment and selection of the highest governance body	5. Corporate governance and ethics / 5.1.3. Designation and selection of the Highest Governance Body. P. 44 5. Corporate governance and ethics / 5.1.4. Committees of the Highest Governance Body. P. 45		
	2-11 Chair of the highest governance body	5. Corporate governance and ethics / 5.1.1. Governance structure. P. 42		
	2-12 Role of the highest governance body in overseeing impact management	5. Corporate governance and ethics / 5.1.2 Functions of the board of Directors. P. 44		
	2-13 Delegation of responsibility for impact management	5. Corporate governance and ethics / 5.1.2 Functions of the board of Directors. P. 44		
	2-14 Role of the highest governance body in sustainability reporting	5. Corporate governance and ethics / 5.1.2 Functions of the board of Directors. P. 44		

	2-15 Conflicts of interest	5.1. Corporate governance / 5.1.5. Conflict of interest. P. 46		
	2-16 Collective knowledge of the highest governance body	5. Corporate governance and ethics / 5.1.2 Functions of the Board of Directors. P. 44		
	2-17 Collective knowledge of the highest governance body	5. Corporate governance and ethics / 5.1.6. Collective knowledge of the highest governance body. P. 46		
	2-18 Evaluation of the performance of the highest governance body	5. Corporate governance and ethics / 5.1.7. Evaluation of the performance of the maximum governing body. P. 48		
	2-19 Remuneration policies	5. Corporate governance and ethics / 5.1.9. Compensation policies and process for determining the salary of the governing body and Senior Management. P. 51		
	2-20 Process for determining remuneration	5. Corporate governance and ethics / 5.1.9. Compensation policies and process for determining the salary of the governing body and Senior Management. P. 51		
	2-21 Ratio of annual total compensation		Not reported	Confidentiality Restrictions
	2-22 Statement on sustainable development strategy	1. President's Letter P. 6 4. Our Bank / 4.2. Sustainability strategy. P. 26		

	2-23 Political commitments	4. Our Bank / 4.2. Sustainability strategy. P. 26 5. Corporate governance and ethics / 5.1. Corporate governance. P. 39 5. Corporate governance and ethics / 5.1.8. Bancóldex's Participation in Corporate Governance Initiatives or Associations P. 48		
	2-24 Incorporation of political commitments	4. Our Bank / 4.2. Sustainability strategy. P. 26		
	2-25 Processes to remediate negative impacts	5. Corporate governance and ethics / 5.2. Gestión de la ética. P. 51		
	2-26 Mechanisms for seeking advice and raising concerns	5. Corporate governance and ethics / 5.2. Ethics management. P. 51		
	2-27 Compliance with laws and regulations	5. Corporate governance and ethics / 5.2. Ethics management. P. 51		
	2-28 Membership in associations	4. Our Bank / 4.2.1. Membership in associations and sectoral participation. P. 29		
	2-29 Stakeholder engagement approach	4. Our Bank / 4.2.2. Relationship with stakeholders. P. 30		
	2-30 Collective bargaining agreements	We do not have collective bargaining agreements		
SASB: Activity Parameters	FN-IB-000.B (1) number and (2) value of investments and loans owned by sector	4. Our Bank / 4.1.2. Our portfolio for business development. P. 21		

Material topics				
GRI 3: Material topics 2021	3-1 Process for determining material topics	3. About this report / 3.1. Materiality analysis. P. 11		
	3-2 List of Material Topics	3. About this report / 3.1. Materiality analysis. P. 11		
Material Topic: Financial sustainability and business profitability				
GRI 3: Material topics 2021	3-3 Management of material topics	4. Our Bank / 4.3. Financial sustainability and business profitability. P. 31		
GRI 201: Economic performance 2016	201-1 Economic value generated and Distributed	4. Our Bank / 4.3. Financial sustainability and business profitability. P. 33		
Material Topic: Corporate governance and ethics				
GRI 3: Material topics 2021	3-3 Management of material topics	5. Corporate governance and ethics / 5.1. Corporate governance. P. 39		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	5. Corporate governance and ethics / 5.2. Ethics management. P. 51		
	205-2 Communication and training on anti-corruption policies and procedures	5. Corporate governance and ethics / 5.2.1. Communication, training on anti-corruption policies and processes, and corruption cases. P. 53		
	205-3 Confirmed incidents of corruption and actions taken	5. Corporate governance and ethics / 5.2.1. Communication, training on anti-corruption policies and processes, and corruption cases. P. 53		

SASB: Business Ethics	FN-CB-510a.1 Total amount of monetary losses as a result of legal proceedings related to fraud, insider trading, antitrust, unfair competition, market manipulation, malpractice, or other related laws or regulations in the financial industry	5. Corporate governance and ethics / 5.2.1. Communication, training on anti-corruption policies and processes, and corruption cases. P. 53		
	FN-CB-510a.2 Description of whistleblowing policies and procedures	5. Corporate governance and ethics / 5.2. Ethics management. P. 51		
	FN-IB-510a.1 Total amount of monetary losses as a result of legal proceedings related to fraud, insider trading, antitrust, unfair competition, market manipulation, malpractice, or other related laws or regulations in the financial industry	5. Corporate governance and ethics / 5.2.1. Communication, training on anti-corruption policies and processes, and corruption cases. P. 53		
	FN-IB-510a.2 Description of whistleblowing policies and procedures	5. Corporate governance and ethics / 5.2. Ethics management. P. 51		
Material Topic: Sustainable finance and responsible investments				
GRI 3: Material topics 2021	3-3 Management of material topics	6. 2023 Achievements of strategic focus areas / 6.1. Supporting Sustainable Development. P. 55		
SASB: Generation of financial inclusion and capabilities	FN-CB-240a. 4 Number of participants in financial education initiatives for unbanked, underbanked, or underserved customers	2,800		

Material Topic: Promoting business development				
GRI 3: Material topics 2021	3-3 Management of material topics	6. 2023 Achievements of strategic focus areas / 6.2. Improving Business Productivity with a Focus on SMEs. P. 67		
Material Topic: Innovation and digitalization				
GRI 3: Material topics 2021	3-3 Management of material topics	6. 2023 Achievements of strategic focus areas / 6.5.2. Innovation and digitalization. P. 83		
Material Topic: Information security and cybersecurity				
GRI 3: Material Topics 2021	3-3 Management of material topics	6. 2023 Achievements of strategic focus areas / 6.5.3. Security of information and cybersecurity. P. 86		
GRI 418: Customer privacy 2016	418-1 Substantial complaints about violations of privacy and customer data losses	6. 2023 Achievements of strategic focus areas / 6.5.3. Security of information and cybersecurity. P. 86		
SASB: Data security	FN-CB-230a.1 (1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	6. 2023 Achievements of strategic focus areas / 6.5.3. Security of information and cybersecurity. P. 86		
	FN-CB-230a.2 Description of the approach to identifying and addressing data security risks	6. 2023 Achievements of strategic focus areas / 6.5.3. Security of information and cybersecurity. P. 86		
Material Topic: Confronting climate change with the portfolio				
GRI 3: Material topics 2021	3-3 Management of material topics	8. Climate Issues (TCFD). P. 94		

GRI 201: Economic performance 2016	201-2 Implicaciones financieras y otros riesgos y oportunidades debidas al cambio climático	8. Climate Issues (TCFD). P. 94		
TCFD- G: Corporate governance				
Disclose the corporate governance around climate-related risks and opportunities	TCFD-G-1 Financial implications and other risks and opportunities due to climate change	8. Climate Issues (TCFD) / 8.1. Governance of Climate-related Issues. P. 95 y P. 96		
	TCFD-G-2 Role of Management in Assessing and Managing Climate-related Risks and Opportunities	8. Climate Issues (TCFD) / 8.1. Governance of Climate-related Issues. P. 95 y P. 96		
TCFD- E: Estrategy				
Disclose the actual and potential climate-related impacts (risks) and opportunities on the organization's business, strategy, and financial planning when such information is important	Climate-related risks and opportunities identified by the organization in the short, medium, and long term	8. Climate Issues (TCFD) / 8.2. Strategy to address climate issues. P. 97		
	Impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning	8. Climate Issues (TCFD) / 8.2. Strategy to address climate issues. P. 97		
	Resilience of the organization's strategy, taking into account different climate-related scenarios, including a 2°C or lower scenario	8. Climate Issues (TCFD) / 8.2. Strategy to address climate issues. P. 97		
TCFD- R: Risk management				
Disclose how the organization identifies, evaluates, and manages climate-related risks	Climate-related risks and opportunities identified by the organization in the short, medium, and long term	8. Climate Issues (TCFD) / 8.3. Climate risks. P. 98		

	Organization's processes for managing climate-related risks	8. Climate Issues (TCFD) / 8.3. Climate risks. P. 98		
	Integration of processes for identifying, evaluating, and managing climate-related risks into the organization's overall risk management	8. Climate Issues (TCFD) / 8.3. Climate risks. P. 98		
TCFD- M: Metrics and targets				
Disclose the metrics and targets used to assess and manage climate-related risks and opportunities when such information is relevant	Metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	8. Climate Issues (TCFD) / 8.4. Metrics and objectives. P. 98		
	Scope 1, Scope 2, and, if applicable, Scope 3 GHG emissions, and the related risks	8. Climate Issues (TCFD) / 8.4. Metrics and objectives. P. 98 10. Efficient management / 10.1.1. Carbon Footprint - Scope 1, 2, and 3 emissions. P. 113		
	Targets used by the organization to manage climate-related risks and opportunities and performance against targets	8. Climate Issues (TCFD) / 8.4. Métricas y objetivos. P. 98		
Material Topic: Evaluación y gestión de riesgos socioambientales del portafolio				
GRI 3: Material topics 2021	3-3 Management of material topics	9. Environmental and social risks / 9.1. Assessment and Management of Socio-environmental Risks in the Portfolio. P. 103		
SASB: Incorporation of environmental, social, and governance factors into credit analysis	FN-CB-410a.2 Description of the approach for incorporating Environmental, Social, and Governance (ESG) factors into credit analysis	9. Environmental and social risks / 9.1. Assessment and Management of Socio-environmental Risks in the Portfolio. P. 103		

SASB: Description of the approach for incorporating environmental, social, and governance (ESG) factors into credit analysis	FN-IB-410a.2 (1) Number and (2) total value of investments and loans incorporating the integration of Environmental, Social, and Governance (ESG) factors, by industry	9. Environmental and social risks / 9.1. Assessment and Management of Socio-environmental Risks in the Portfolio. P. 103		
	FN-IB-410a.3 Description of the approach for incorporating Environmental, Social, and Governance (ESG) factors into investment banking and brokerage activities	9. Environmental and social risks / 9.1. Assessment and Management of Socio-environmental Risks in the Portfolio. P. 103		
Material Topic: Eco-efficient operation				
GRI 3: Material topics 2021	3-3 Management of material topics	10. Efficient management / 10.1. Eco-efficiency - efficient management of natural resources. P. 108		
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14 Glossary

Climate Change Adaptation: Climate Change Adaptation: Adaptation refers to adjustments in ecological, social, or economic systems in response to actual or expected climate stimuli and their effects or impacts. It involves changes in processes, practices, and structures to moderate potential damages or to benefit from opportunities associated with climate change. In simple terms, countries and communities need to develop adaptation solutions and implement actions to respond to the impacts of climate change that are already occurring, as well as prepare for future impacts.. <https://unfccc.int/es/topics/adaptation-and-resilience/the-big-picture/que-significa-adaptacion-al-cambio-climatico-y-resiliencia-al-clima>

Decarbonization: It consists of a gradual reduction of emissions that will affect multiple aspects of our way of life. These emissions, mainly carbon dioxide, are produced by human activity. <https://www.bbva.com/es/sostenibilidad/que-es-la-descarbonizacion-y-que-implica-un-objetivo-a-cumplir/>

Funding: It is the term given to the action of obtaining capital, funds, or resources for a project, person, business, or any other institution. <https://conogasi.org/términos/fondeo/>

Rediscount: It is a financial operation in which an entity obtains funds from a lender to cover the credit granted to a third party. <https://www.bancoldex.com/es/glosario>

Return on Average Equity (ROAE): ROAE is an acronym derived from Return On Average Equity. According to Investidor Sardinha, the Brazilian financial education web channel, ROAE is a financial indicator used by investors to measure and analyze a company's performance on average equity. Although the acronym is similar

to ROE derived from Return on Equity, it is important to know that they have different uses. That is, ROAE ignores fluctuations that occur throughout the year and provides a broader view for the investor. While ROE seeks to analyze the return on a company's capital at that moment. That is, it becomes a gauge that changes throughout the year as the information used in the calculation varies. <https://www.eltiempo.com/economia/sector-financiero/que-es-el-roae-y-por-que-debe-conocerlo-748737>

Energy Transition: Energy transition is defined as the set of changes in energy production, distribution, and consumption models to achieve greater sustainability. The goal of this process is to transform the current energy system based on fossil fuels into an electric model based on renewable energies and other forms of emissions reduction. <https://www.iberdrola.com/sostenibilidad/transicion-energetica>

Valor Económico Generado y Distribuido (VEGD):

According to the Global Reporting Initiative (GRI), "Information on the creation and distribution of economic value provides a basic indication of how an organization has generated wealth for shareholders." The elements considered within this concept "reflect the economic profile of an organization, which may be useful for standardizing other performance-related figures."

According to the same GRI, the concept of Valor Económico Generado y Distribuido (VEGD) includes the following elements:

Ingresos (Revenues): These can be calculated by adding net sales and income from financial investments and asset sales.

Costes operacionales (Operating Costs): Operating

costs can be calculated as cash payments (made outside the organization) for materials, product components, facilities, and services acquired.

Salarios y beneficios de los empleados (Employee wages and benefits): Employee wages and benefits can be calculated by adding total payroll (including employee wages and amounts paid to government institutions on behalf of employees) and total benefits (excluding training, equipment costs, and other directly labor-related costs).

Pagos a proveedores de capital (Payments to capital providers): Payments to capital providers can be calculated by adding dividends for all shareholders and interest payments made to various lenders.

Pagos al gobierno (Payments to government): Payments to governments can be calculated by adding all organization taxes and related penalties paid at the international, national, and local levels.

Inversiones en la comunidad (Community Investments): Refers to actual expenses incurred during the reporting period, not commitments. An organization can calculate community investments by adding voluntary donations and funds invested in the broader community whose beneficiaries are not part of the organization.

Fuente: Global Reporting Initiative, GRI. Standard 201 - Economic Performance <https://www.globalreporting.org/how-to-use-the-gri-standards/gri-standards-spanish-translations/>



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