



# PRINCIPLES FOR RESPONSIBLE Banking Report

# ▶ 2024

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# Summary template

## Banco Popular S.A 2034

Principle 1: Alignment	Principle 2: Impact & Target Setting	Principle 3: Clients & Customers
<p>The Bank is headquartered in Bogotá D.C. and operates exclusively within Colombia through a network of more than 168 branches across 29 departments, 592 ATMs, 98 banking correspondents, collection centers, payroll loan centers, and various digital channels.</p> <p>It is part of the <b>Grupo Aval Financial Conglomerate</b>, one of the most prominent financial groups in Colombia and Central America. Its parent company, <b>Grupo Aval Acciones y Valores S.A.</b>, holds a majority stake in its capital.</p> <p><b>Credit Portfolio and Geographic Coverage</b></p> <ul style="list-style-type: none"><li>✓ <b>Total loan portfolio as of December 2024:</b> COP \$21.2 trillion<ul style="list-style-type: none"><li>• Consumer loans: COP \$14.5 trillion</li><li>• Commercial loans: COP \$5.6 trillion</li><li>• Other loans: COP \$1.1 trillion</li></ul></li><li>✓ <b>Geographic coverage:</b> Presence in 29 of Colombia's 32 departments, serving 93 municipalities or cities.</li></ul>	<p>At year-end 2024, the Bank managed a gross credit and financial leasing portfolio of <b>COP \$21.2 trillion</b>, concentrated mainly in:</p> <ul style="list-style-type: none"><li>✓ <b>Retail Banking:</b> 68.5% (COP \$14.5 trillion)<ul style="list-style-type: none"><li>○ 96% allocated to <b>payroll loans</b>.</li><li>○ 49% of retail clients (468,735 individuals) are <b>aged 60+</b>.</li></ul></li><li>✓ <b>Corporate Banking:</b> 26% (COP \$5.5 trillion)</li><li>✓ <b>Other Portfolios:</b> 5.5% (COP \$1.1 trillion)</li></ul> <p>The portfolio serves <b>950,000+ retail clients</b> and <b>1,500+ corporate clients</b>. Commercial exposure is distributed across sectors like <b>Construction &amp; Infrastructure (24.8%)</b>, <b>Manufacturing (11.9%)</b>, and <b>Financial Services (11.3%)</b>.</p> <p>In 2024, the Bank reinforced its impact management strategy by prioritizing two key areas, identified through the <b>UNEP FI Portfolio Impact Analysis Tool</b>:</p> <ol style="list-style-type: none"><li>1. <b>Silver Finance.</b></li><li>2. <b>Climate Action.</b></li></ol> <p>These impact areas are fully embedded in the Bank's strategic and sustainability roadmap, guiding action plans, product innovation, and cross-functional initiatives.</p>	<p>In 2024, the Bank prioritized the 50+ population as a strategic client segment, recognizing their growing demographic and social relevance. Today, 49% of retail clients are aged 60 or above.</p> <p>To address this, the Bank launched a Silver Economy strategy focused on inclusion, financial well-being, and improved service experience for older adults.</p> <p><b>Key actions included:</b></p> <ul style="list-style-type: none"><li>✓ Development of tailored financial products and empathetic service models</li><li>✓ Implementation of a “phygital” experience combining human support with accessible digital tools</li><li>✓ Financial education programs and digital literacy workshops</li></ul> <p><b>Contribution to SDGs:</b></p> <ul style="list-style-type: none"><li>✓ SDG 1: Financial inclusion for vulnerable populations</li><li>✓ SDG 4: Tailored financial education</li><li>✓ SDG 10: Reduction of access barriers for older adults.</li></ul>

<p><i>Links &amp; references</i> <a href="#">2024 Management and Sustainability Report</a> (P. 5 - 6; 9 - 13; 20 - 22; 26 - 39; 72 - 77)</p>	<p><i>Links &amp; references</i> <a href="#">2024 Management and Sustainability Report</a> (P. 5 - 6; 9 - 13; 20 - 22; 26 - 39; 72 - 77; 108 - 114)</p>	<p><i>Links &amp; references</i> <a href="#">2024 Management and Sustainability Report</a> (P. 26 - 29)</p>
<p><b>Principle 4:</b> <b>Stakeholders</b></p>	<p><b>Principle 5:</b> <b>Governance &amp; Culture</b></p>	<p><b>Principle 6:</b> <b>Transparency &amp; Accountability</b></p>
<p>In 2024, the Bank strengthened its stakeholder engagement through strategic partnerships with organizations such as Aval Digital Labs, the IDB, and Sparkassenstiftung. These alliances supported the implementation of high-impact initiatives, particularly in financial inclusion for older adults and climate action.</p> <p>The Bank engaged directly with clients and non-clients aged 50+ to co-create its silver economy strategy, addressing key gaps in products, services, and digital experience. Stakeholder input played a central role in shaping inclusive and responsive solutions.</p>	<p>The Bank reinforced its sustainability governance by updating the mandate of the Board-level Corporate Governance and Sustainability Committee. This body, composed mostly of independent directors, now formally oversees ESG performance and compliance.</p> <p>Six Board members completed ESG certification programs in 2024, while a new Vice President of Corporate Affairs and Sustainability was appointed to lead internal coordination and execution of the sustainability agenda.</p> <p>To embed responsible banking in the culture, over 690 employees were trained in financial inclusion and well-being, with a focus on supporting older adults.</p> <p><b>Key Progress Indicators</b></p> <ul style="list-style-type: none"> <li>✓ 5 Board members ESG-certified</li> <li>✓ 692 employees trained as Financial Well-being Ambassadors.</li> </ul>	<p>In 2024, the Bank reaffirmed its commitment to transparency and accountability by submitting selected sustainability indicators—detailed in <b>Annex A</b> of the Sustainability Report—to an <b>independent limited assurance engagement</b> conducted by <b>BDO Audit S.A.S. BIC</b>.</p> <p>The results of this review are documented in the <b>Independent Limited Assurance Report</b>, which is publicly available as part of the 2024 Management and Sustainability Report (<b>Annex</b>).</p> <p>The assured information was prepared using the following criteria:</p> <ul style="list-style-type: none"> <li>✓ <b>GRI Standards (2021)</b> – “GRI-Referenced” approach</li> <li>✓ <b>SASB Standards</b> for the commercial banking industry</li> <li>✓ The Bank’s internal methodology for <b>double materiality assessment (2024)</b></li> </ul>
<p><i>Links &amp; references</i> <a href="#">2024 Management and Sustainability Report</a> (P. 26 - 29)</p>	<p><i>Links &amp; references</i> <a href="#">2024 Management and Sustainability Report</a> (P. 26-29; 40 - 43; 56 - 58)</p>	<p><i>Links &amp; references</i> <a href="#">Independent Limited Assurance Report</a>. All document.</p>



# Supplement templates

## Principle 1: Alignment

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

### Business model

Describe (high-level) your bank's business model, including the main business lines, customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, business areas or by disclosing the number of customers and clients served.

### Links & references

[2024 Management and Sustainability Report](#)  
(P. 5 - 6; 9 - 13; 20 - 22; 26 - 39; 72 - 77)

**Banco Popular S.A.** (hereinafter, *the Bank*) is a privately held Colombian corporation with a long-standing presence in the national financial system. Its primary corporate purpose is to carry out activities, operations, and services inherent to a banking institution, in accordance with Colombian legislation.

The Bank is headquartered in Bogotá D.C. and operates exclusively within Colombia through a network of more than 168 branches across 29 departments, 592 ATMs, 98 banking correspondents, collection centers, payroll loan centers, and various digital channels.

It is part of the **Grupo Aval Financial Conglomerate**, one of the most prominent financial groups in Colombia and Central America. Its parent company, **Grupo Aval Acciones y Valores S.A.**, holds a majority stake in its capital.

### Business Lines and Customer Segments

The Bank structures its operations into three main segments:

- **Retail Banking:** Serves over 950,000 customers, with a loan portfolio representing 68.5% of total credit. Notably, 49% of these customers are over 60 years of age. This segment includes products such as the *Posible Credit Card*, designed for individuals over 50 years old with monthly incomes below two minimum wages, as well as financial education programs tailored to their needs.
- **Corporate and Government Banking:** Serves more than 1,500 corporate clients and approximately 3,700 government entities, with a loan portfolio representing 26% of total credit. Its strategy focuses on supporting economic growth, promoting sustainability, and enhancing the efficient management of financial resources.
- **Other Segments:** Represent the remaining 5.5% of the credit portfolio.

### Credit Portfolio and Geographic Coverage

- **Total loan portfolio as of December 2024:** COP \$21.2 trillion
  - Consumer loans: COP \$14.5 trillion
  - Commercial loans: COP \$5.6 trillion
  - Other loans: COP \$1.1 trillion
- **Geographic coverage:** Presence in 29 of Colombia's 32 departments, serving 93 municipalities or cities.

### Human Capital

- **Number of employees as of December 2024:** 2,986

### Strategy alignment

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and other international frameworks such as the Kunming-Montreal Global Biodiversity Framework (GBF), the United Nations Guiding Principles on Business and Human Rights (UNGPs), the forthcoming instrument on plastic pollution etc.

Include any other national and/or regional frameworks that your bank has a strategy to align with where relevant.

### Links & references

[2024 Management and Sustainability Report](#)  
(P. 5 - 6; 9 - 13; 20 - 22; 26 - 39; 72 - 77; 108 - 114)

In 2024, the Bank launched a strategic roadmap for the 2024–2026 period, built upon three core pillars: a business model focused on its target segment, a robust balance sheet, and operational efficiency.

The Bank is firmly committed to the **silver economy**, centering its strategy on delivering an inclusive value proposition for individuals aged 50 and above. For this segment, the Bank develops innovative products and differentiated service models that blend human interaction with digital solutions, alongside benefits specifically designed for this demographic. The overarching goal is to position itself as the leading financial institution for the silver economy, supporting customers in achieving their life goals during this stage.

This commitment is clearly reflected in the year-over-year growth of the payroll loan portfolio for individuals over 50:

- In 2023, the Bank disbursed **55,507 loans**, totaling **COP \$1.9 trillion**.
- In 2024, disbursements increased to **72,936 loans**, amounting to **COP \$4 trillion**.

This represents a **31% increase** in the number of loans (an additional 17,429) and a **COP \$2.1 trillion** growth in disbursed value, demonstrating the consolidation of the strategy and its positive impact on the target population.

Among the notable milestones in 2024:

- **Launch of the Posible Credit Card:** Designed for individuals over 50 with monthly incomes below two legal minimum wages, aimed at promoting financial inclusion.
- **Redesign of the Financial Education Program:** Tailored for older adults to enhance their financial security and autonomy.

In the corporate and government banking segment, the Bank's strategy focuses on designing specialized financial services and solutions for companies and public entities. These offerings aim to foster economic growth, sustainability, and efficient resource management. The Bank seeks to build long-term relationships based on trust, providing not only suitable products but also ongoing support to ensure financial success and sustainable growth for its clients.

In 2024, the Bank received several recognitions for its achievements in sustainability, inclusion, and governance best practices:

- **"30% Club" Recognition:** For reaching 33% female representation on its Board of Directors, surpassing the national average of 23%.
- **IR Recognition from the Colombian Stock Exchange:** Awarded for the second consecutive year for implementing international best practices in corporate governance and sustainability.
- **BID Lab Recognition for Silver Solutions Innovation:** In partnership with Aval Digital Lab, for developing a hybrid ("phygital") solution for customers aged 50 and above.
- **ISO Certifications in Anti-Bribery and Compliance:** First bank in Colombia to simultaneously obtain ISO 37001:2016, ISO 37301:2021, and NTC 6671:2023 certifications, granted by Certification Management & Development S.A.S., accredited by ONAC.
- **Friendly Biz Certification:** Renewed by the Colombian LGBT Chamber of Commerce, highlighting the Bank's commitment to diversity, human rights, and inclusion.

The Bank's sustainable management is guided by internationally recognized frameworks and standards, including:

- **Global Reporting Initiative (GRI).**
- **UNEP FI Principles for Responsible Banking.**
- **Asobancaria Green Protocol.**
- **Sustainability Accounting Standards Board (SASB).**

In 2025, the Bank will undertake an update of its **Double Materiality Assessment**, stakeholder identification and prioritization, and a renewed review of its strategic alignment with the **Sustainable Development Goals (SDGs)** and other sustainability frameworks. This process will strengthen the integration of sustainability into the corporate strategy and expand its positive impact across economic, social, and environmental dimensions.

## Principle 2: Impact & Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

### Impact Analysis

Show how your bank has identified, prioritized and measured the most significant impacts associated with its portfolio (both positive and negative). Determine the priority areas for target-setting. Include details regarding: Scope, Portfolio Composition, Context, and Performance Measurement.

The impact analysis should include assessment of the relevance of the four priorities laid out in [Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector](#), as part of its initial or ongoing impact analysis.

#### Links & references

[2024 Management and Sustainability Report](#)

(P. 5 - 6; 9 - 13; 20 - 22; 26 - 39; 72 - 77; 108 - 114)

At the end of 2024, the Bank closed the year with a gross credit and financial leasing portfolio of **COP \$21.2 trillion**, primarily concentrated in **Retail Banking (68.5%)** and **Corporate Banking (26%)**. The Bank serves over **950,000 retail clients** and more than **1,500 corporate clients**. Notably, **49% of retail clients (468,735 individuals)** are aged 60 or older.

#### Credit Portfolio Breakdown (as of December 2024):

- **Consumer and Consumer Leasing Portfolio:** COP \$14.5 trillion (68.5% of total), with **96%** allocated to payroll loans.
- **Commercial and Commercial Leasing Portfolio:** COP \$5.5 trillion (26% of total).
- **Other Portfolios:** COP \$1.1 trillion (5.5% of total).

#### Deposits

Customer deposits account for **84% of total liabilities**, reaching **COP \$22.4 trillion**. The composition is as follows:

- **Term Deposit Certificates (CDTs):** 49.9%
- **Savings Accounts:** 45.4%
- **Checking Accounts:** 4.4%
- **Other Deposits:** 0.3%

#### Portfolio Distribution

##### Consumer Portfolio by Product Line:

- Payroll Loans: 96%
- Credit Cards: 3%
- Personal Loans: 1%
- Other Consumer Products: <1%

##### Commercial Portfolio by Economic Sector:

- Construction & Infrastructure: 24.84%
- Manufacturing Industry: 11.89%
- Financial Services: 11.29%
- Public Services: 9.29%

#### Impact Analysis

In 2022, the Bank conducted an **impact analysis** using the UNEP FI Banking Sector Tool, focusing on the Consumer and Commercial portfolios. This process enabled the identification, prioritization, and quantification of the most relevant positive and negative impacts associated with its portfolio.

The analysis focused on five priority areas:

1. Access, use, and quality of financial services
2. Information integrity and security
3. Productive life
4. Social and economic equity
5. Responsible production and consumption

Based on these findings, the Bank defined two **strategic impact areas**, now embedded in institutional planning due to their high potential for social and environmental value creation:

- **Financial Inclusion for Older Adults (Silver Finance).**
- **Climate Action**, replacing the previous “sustainable finance” approach to align with emerging regulatory and disclosure frameworks such as **TCFD** and **IFRS S2**.

These impact areas are aligned with two of the four priorities outlined in the 2024 report “*Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector*”:

- **Healthy, inclusive economies.**
- **Climate change.**

### **Social Prioritization: Focus on Silver Finance**

With new leadership and in response to Colombia’s demographic transformation, the Bank has strengthened its strategic focus on the **silver economy**. This decision is grounded in a key reality: **49% of retail clients are over 60 years old**, making them the Bank’s priority customer segment.

National projections estimate that by **2050**, individuals aged 60 and above will represent **45% of Colombia’s population**, requiring new financial products, service channels, and customer experiences.

The Bank’s strategy is built on three pillars:

1. **Inclusive value proposition** for individuals aged 50+, offering tailored financial products.
2. **Hybrid (phygital) service models**, combining human interaction with intuitive digital solutions.
3. **Community of benefits**, including training spaces, activities, and strategic partnerships designed for this segment.

As part of this strategy, the Bank partnered with **Aval Digital Labs** to participate in the **Silver Solutions Challenge**, led by the **Inter-American Development Bank (IDB)** and **German Cooperation Agency Sparkassenstiftung**.

In 2025, this collaboration will result in the launch of a **specialized digital platform for older adults**, complemented by physical spaces in Bank branches. This **phygital experience** aims to connect with customers in an informative, educational, empathetic, and transformative way.

The ecosystem will go beyond transactional services, forming a **community for older adults** where they can engage with peers, access tailored products and services, and benefit from a network of strategic allies.

### **Environmental Prioritization: Climate Action**

In response to global climate challenges, the Bank has made **climate action** a strategic priority, transitioning from a “sustainable finance” approach to a comprehensive **climate risk management framework**, aligned with leading disclosure and regulatory standards.

This shift reflects the Bank’s institutional recognition of the financial sector’s role in the transition to a **low-carbon, climate-resilient economy**.

To ensure a structured and coherent evolution, the Bank aligns its actions with international climate standards:

- **Task Force on Climate-Related Financial Disclosures (TCFD)**: Governance, strategy, risk management, and climate-related metrics.
- **IFRS S2 – Sustainability Disclosure Standards**: Emerging reporting requirements for financial institutions.

The strategic objective is to **evaluate and manage climate risk**, developing robust climate governance aligned with global standards.



Targets, Target Implementation, and Action Plans/Transition plans

Show that your bank has set and published a minimum of two SMART targets which address at least two different areas of most significant impact that your bank identified in its impact analysis. Once targets are set, explain the actions taken and progress made. Include details regarding: Alignment, Baselines, Targets, Target Implementation & Monitoring (and KPIs), Action Plans/ Transition plans and Milestones.

Banks are encouraged to disclose information regarding actions they are taking in four priorities laid out in [Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector \(2024\)](#).

Links & references

In accordance with the impact analysis (Section 2.1) and considering the Bank's sustainability priorities, two SMART targets have been defined in two significant impact areas: Financial Inclusion and Climate Change (Environmental Risk Management).

Below is a detailed breakdown of each target:

Year	Strategic Objective	2024 Baseline	2025 SMART Target	Implementation & Monitoring (KPIs)	Action / Transition Plans
2024	Financial Inclusion for Older Adults	1.49% of Retail Banking clients aged 60+ (468,735 clients). 2. Strategic product definition. 3. Traditional service model.	1. Increase credit portfolio for 50+ segment. 2. Increase number of clients aged 50+. 3. Increase product penetration for 50+. 4. Improve NPS in 50+ segment.	Portfolio and client growth (50+), product penetration, NPS, segmented attrition rate.	Continuous improvement of products, services, and channels tailored to 50+ needs; implementation of hybrid (phygital) service model; strategic partnerships; KPI tracking.
2024	Climate Action	1. No consolidated baseline. 2. Initiation of environmental strategy restructuring.	1. Evaluate at least 30% of commercial portfolio for climate risk. 2. Begin identification of physical risks. 3. Begin identification of transition risks.	% of portfolio assessed for climate risk; identification of physical and transition climate events; TCFD reporting.	Sectoral diagnostics, TCFD training, identification of climate risks, development of regulatory reports.

The Bank reports progress in defining and assigning targets aligned with its strategic objectives. These targets are **clear, measurable**, and aligned with **responsible banking priorities**. Through a structured strategy that includes the development of inclusive financial products and the integration of environmental, social, and climate risks into business management, the Bank reaffirms its commitment to the **UNEP FI Principles for Responsible Banking**.

Summary of Impact Areas and Strategic Targets

Aspect	Target 1: Silver Economy	Target 2: Climate Risk
Impact Area (UNEP FI)	Healthy, inclusive economies	Climate change
Strategic Objective	Inclusion of 50+ population	Evaluate and mitigate exposure to climate risk
Alignment with Global Priorities	Financial inclusion, aging population	Energy transition, ESG risk management
SDG Contribution	SDGs 1, 4, and 10	SDG 13

## Principle 3: Clients & Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

### Client and Customer engagement

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. It should include information on the client engagement strategy including but not limited to the impact areas identified/ targets set, awareness raising activities with clients and customers, relevant policies and processes, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

### Links & references

[2024 Management and Sustainability Report](#)  
(P. 26 - 29)

The Bank has oriented its customer engagement strategy toward financial inclusion and well-being for individuals aged 50 and above, identifying this demographic as a key strategic segment due to its demographic significance and potential for social and economic impact. This decision responds to the need to transform the product offering and service experience for a historically underserved population.

The development of the value proposition for the silver economy began with a comprehensive diagnostic in 2024, which revealed significant gaps in products, service models, and digital experiences for this segment. The strategy, informed by direct insights from both clients and non-clients, is built on a hybrid "phygital" model that integrates physical and digital channels with a human-centered and empathetic approach, recognizing the specific needs and technological challenges of older adults.

### Priority Impact Areas

- **Financial inclusion and well-being** through products designed for individuals aged 50 and over.
- **Digital education and support** to overcome technological barriers.
- **Community creation** to promote holistic well-being and social interaction.

### Experience Management and Impact Measurement

The Voice of the Customer model has strengthened the Bank's customer-centric culture, with a rigorous focus on experience indicators such as Net Promoter Score (NPS). In 2024, NPS results showed significant improvements in satisfaction and loyalty among older clients, reflecting the effectiveness of the initiatives implemented.

In 2025, the Bank will continue advancing its silver economy strategy through:

- **Specialized training and continuous development** of staff to ensure differentiated service delivery.
- **Expansion and diversification of products and services** tailored to the needs of the 50+ segment.
- **Strengthening of the phygital platform** to build an integrated and active community that enhances customer experience.

### Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how your bank has developed these in the reporting period. Provide information on sustainability-related products and services and frameworks in place that support the transition needs of clients, size of the sustainable finance portfolio in USD or local currency and/or as a % of your bank's portfolio,\* and which SDGs or impact areas you bank is striving to make a positive impact on (e.g. green mortgages—climate, social, sustainability bonds—financial inclusion, etc.).

\* Provide information on the sustainable finance frameworks/standards/taxonomies used to label sustainable finance volumes

Links & references

### Social Impact Strategy: Inclusion and Financial Well-being for Older Adults

The Bank has identified a robust set of strategic social opportunities aimed not only at increasing positive impacts but also at reducing financial and social exclusion in Colombia, with a particular emphasis on older adults. This social focus serves as a key lever for sustainable growth and shared value creation.

Recognizing that 49% of Retail Banking clients are aged 60 and above, and considering projections that by 2050 this group could represent nearly half of Colombia's population, the Bank has developed products and services tailored to the specific needs of this segment, going beyond traditional offerings through:

1. **Inclusive financial products** are designed to address the unique characteristics and requirements of older adults.
2. **Accessible and empathetic service models** adapted to facilitate interaction and enhance customer experience.

In this context, the Bank acts as a catalyst for reducing social gaps and promoting equitable access to financial services, especially for traditionally excluded or underserved segments such as older adults. In parallel, it advances financial awareness and education through campaigns and workshops that strengthen product understanding and encourage responsible financial habits, thereby enhancing users' autonomy and economic well-being.

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

This approach directly contributes to the following SDGs:

- **SDG 1 – No Poverty:** By improving access to financial services for vulnerable populations.
- **SDG 4 – Quality Education:** Through financial literacy initiatives tailored to older adults.
- **SDG 10 – Reduced Inequalities:** By addressing systemic barriers to financial inclusion.

Through this strategy, Banco Popular positions itself as a key factor in promoting inclusive and sustainable social development, aligned with global priorities and the Principles for Responsible Banking.



## Principle 4: Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

### Stakeholder identification and consultation

Describe which stakeholders (or groups/types of stakeholders) your bank has identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of the bank's engagement strategy following criteria for effective engagement and advocacy, how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

### Links & references

The Bank has established key partnerships with leading organizations such as Aval Digital Labs, the Inter-American Development Bank (IDB), the German Cooperation Agency (Sparkassenstiftung), and various entities across the social and environmental sectors. These alliances have strengthened the Bank's institutional capacity to implement initiatives that deliver positive and sustainable impact.

The Bank's strategy for stakeholder identification, consultation, and engagement is a continuous, transparent, and strategic process designed to ensure that its actions align with the genuine needs of its operating environment. This approach underscores the Bank's commitment to responsible banking and sustainable development.

## Principle 5: Governance & Culture

We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

### Governance Structure for Implementation of the Principles

Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts (including accountability at the executive leadership level, clearly defined roles and responsibilities for sustainability matters in internal processes, etc.) and support the effective implementation of the Principles.

#### Links & references

[2024 Management and Sustainability Report](#)  
(P. 57 - 58)

The Bank has established a robust governance framework to effectively manage both the positive and negative impacts associated with its operations and the implementation of the Principles for Responsible Banking. The Board of Directors plays a central role in this framework, actively participating in the definition, approval, and oversight of the 2024–2026 Strategic and Business Plan, which includes a clear focus on the silver economy and sustainability.

To strengthen the management of sustainability-related matters, the Bank has amended the Internal Regulations of the Corporate Governance and Sustainability Committee, expanding its responsibilities to oversee policies, guidelines, and procedures related to environmental, social, and governance (ESG) issues. This committee is composed of Board members, the majority of whom are independent, and holds direct responsibility for ensuring compliance with the Bank's ESG commitments.

At the executive level, the Bank has reinforced its leadership by appointing a Vice President of Corporate Affairs and Sustainability, tasked with coordinating cross-functional initiatives, processes, and controls related to sustainable management. This role ensures clear accountability and the assignment of responsibilities across all organizational levels.

This governance and leadership structure guarantees both strategic and operational commitment to the effective implementation of the Principles, promoting sustainable value creation and contributing to social and environmental well-being.

### Promoting a culture of responsible banking:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, learning & development, sustainability training for relevant teams, inclusion in remuneration structures and performance management and leadership communication, amongst others).

#### Links & references

[2024 Management and Sustainability Report](#)  
(P. 40 - 43; 56)

The Bank has implemented a range of initiatives to foster a culture of responsible banking among its employees, recognizing that internal engagement is essential for the effective implementation of the Principles for Responsible Banking and for advancing institutional sustainability.

To this end, sustainability training has been strengthened at the senior management level, with five members of the Board of Directors participating in the ESG Certification Program (Environmental, Social, and Governance), organized by the Colombian Institute of Corporate Governance, Asobancaria, IFC, and the Swiss Cooperation Agency. Currently, six Board members hold this certification, enhancing the Bank's strategic vision and leadership in sustainability matters.

In parallel, the Bank has redesigned its financial education program with a special focus on the older adult segment, aiming to address their specific needs and strengthen their financial autonomy and security. The program is structured around four key workstreams, with a strong emphasis on training “Financial Well-being Ambassadors.”

By the end of 2024, 692 employees—including 183 branch managers and 509 commercial advisors—had been trained to deliver essential financial knowledge and tools to clients and users. The training covers core modules such as:

- Financial well-being.
- Credit profile management.
- Purpose-driven savings.
- Advanced use of mobile banking.

These efforts reflect the Bank’s commitment to embedding sustainability into its organizational culture and empowering its workforce to act as agents of change in promoting inclusive, responsible, and impactful banking.

#### **Risk and due diligence processes and policies**

Describe what processes your bank has installed to identify and manage environmental and social risks associated with your bank’s portfolio. This can include aspects such as identification of significant/salient risks, due diligence processes, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures your bank has in place to oversee these risks.

Links & references

The Bank is currently restructuring and implementing its Environmental and Social Risk Management System (SARAS), a key tool for identifying, assessing, and managing environmental and social risks associated with its credit portfolio. This system improves the quality of information used during the credit approval process, enabling more informed decision-making through comprehensive analysis of environmental and social factors.

By 2025, the Bank expects to complete the formalization phase, which includes the development and integration of SARAS into internal protocols. The objective is to establish the necessary capabilities, guidelines, templates, and operational tools to ensure the system’s effective implementation across relevant business units.

Principle 6:

**Transparency & Accountability**

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

The information provided in the Responsible Banking Progress Statement is sufficient. If third-party assurance has been undertaken, provide details on the scope of assurance and the reference/link to the Independent (Limited) Assurance Report