Table of Contents

1. Banco Popular's

For information on the procedu
Chapter "1.4 Sustainability Strat
bes the procedures implemente
materiality.

2. Climate Matters

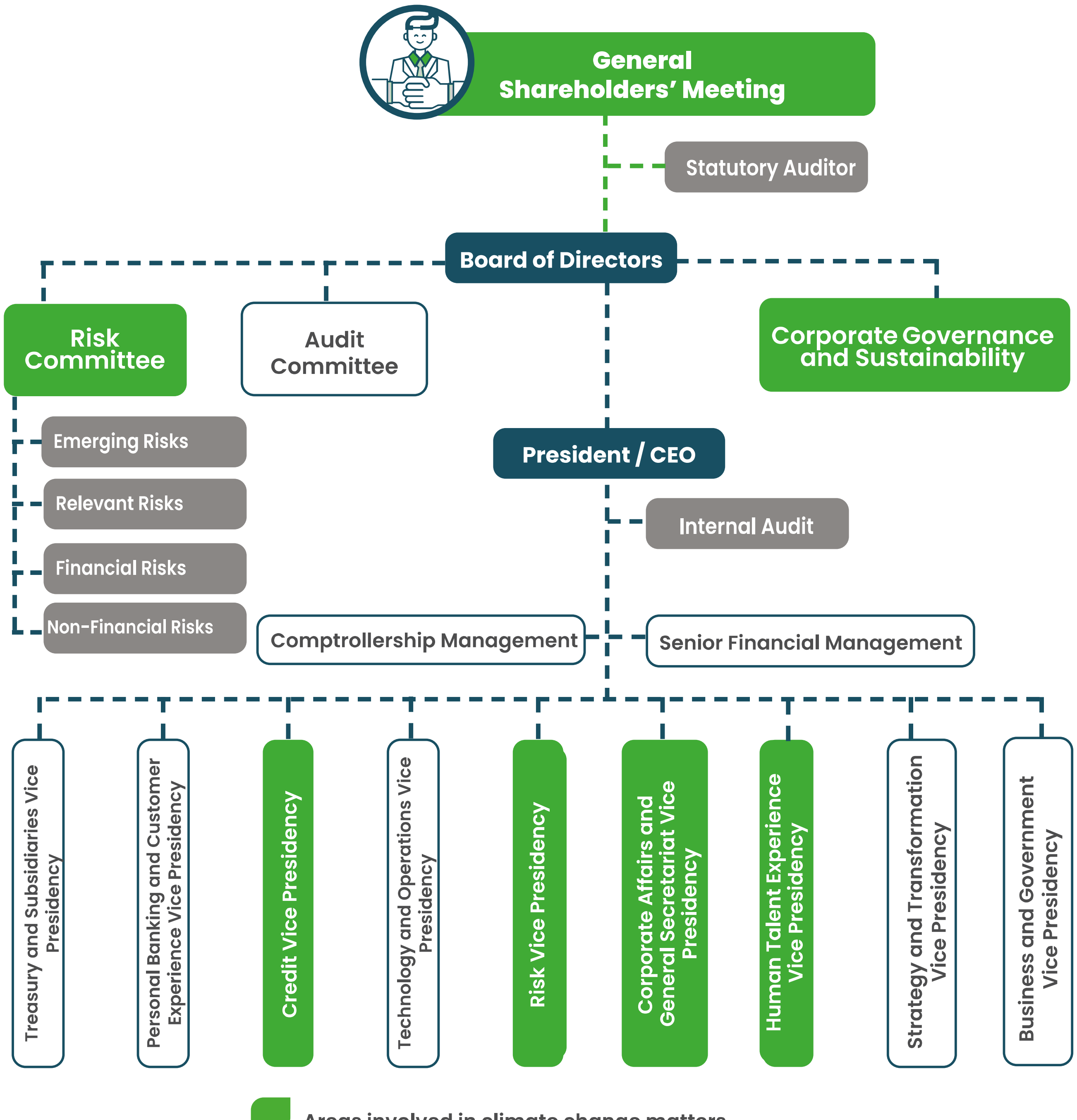
This chapter, Banco Popular's C
tent, and comparable manner, i
associated with climate chang
ce on Climate-related Financia
report includes the implement
and transition risks, climate-rel
resilience under different scena

2.1. Governance

The Bank's current Corporate G
ders' Meeting, the Board of Direc
and/or management offices th
committees.

These governance bodies inclu
related to the Bank's climate ris

Figure 1. Banco Popular Corporate Governance Structure



2.1.1. Role of the Boar

The Bank's Board of Directors is
responsibility for defining strate
governance (ESG) matters and

The Board of Directors has know
cesses that support keeping it u
risks was provided and the relev
and decision-making capabiliti

2.1.1.1. Committees Su

Corporate Governance

In performing its duties, the Bo
Sustainability Committee, a sp
approving, overseeing, and mo
governance and sustainability,

In sustainability matters, the Co
for approval by the Board of D
mentation; promotes participat
the annual sustainability mana
risks and opportunities associat

Risk Committee

The purpose of this Committee
responsibilities regarding Risk m
ring, on a consolidated basis, th
within a holistic framework that

The risks managed by the Bank
Risks, and Non-Financial Risks. (

2.1.2. Role of Senior Management

The Bank's Senior Management is composed of the President, the Vice Presidents, and the Managers who report directly to her. Within this framework, Senior Management monitors key environmental indicators under the adopted eco-efficiency strategy, such as water and energy consumption, waste management, carbon footprint, and offsetting, and periodically reports to the Corporate Governance and Sustainability Committee and the Board of Directors on progress, identified risks, and key milestones related to climate management.

Vice Presidency of Corporate Affairs and Sustainability, and General Secretariat

The Vice Presidency of Corporate Affairs and Sustainability is responsible for implementing the Bank's Sustainability Policy, integrating initiatives across different areas to support coherent and effective management; monitoring progress on commitments established in environmental, social, and corporate governance matters, including those related to climate change; proposing guidelines; consolidating, analyzing, and disclosing sustainability information; and providing timely ESG training to different Stakeholders. The Vice President of Corporate Affairs and Sustainability serves as the Chief Climate Officer.

Vice Presidency of Risk Management

the identification and management of risks and opportunities.
related to social and environmental matters, including those related to climate change, in accordance with applicable regulations and leading practices.

Vice Presidency of Credit

The Vice Presidency of Credit is responsible for the administration and management of the Bank's credit Risk. Within its role, it manages and consolidates credit information that serves as the primary input for analyses of portfolio exposure and sensitivity to physical and transition risks. It will also play an important role in the implementation of SARAS (Environmental and Social Risk Management System, its Spanish acronym), particularly in the administration of the process for identifying, assessing, and controlling environmental and social risks, including climate risks.

These processes will support the incorporation of properly informed risk considerations into credit decisions and support the management of portfolios exposed to climate risks in a manner consistent with Senior Management guidelines.

2.2. Strategy

The Bank recognizes that risks and opportunities associated with climate change may have financial impacts on its business model, loan portfolio, operational continuity, and relationships with its Stakeholders. In this con-

dance with applicable regulatio
ring of environmental matters, i
te-related issues. In addition, it i
gradual implementation of the
and Social Risk Management Sy
climate risks (SARAS, its Spanish
der the principles of relevance
nality established by the Bank.

Similarly, the Bank has made
tegrating ESG factors and str
internal culture of eco-efficie
practices focused on the effic
sources. These actions include
tion of reduction targets for w
gy consumption, as well as res
initiatives, contributing to a mo
resilient operation.

Furthermore, the Bank is a si
Principles for Responsible Ban
veloped through a partnership
king institutions worldwide a
Nations Environment Programr
tiative (UNEP FI). The adoption
principles formalizes the inst
mitment to align the Bank's st
gement, and decision-making
tainable Development Goals
Agreement. Within this framev
tive identifies four global priori
change, (ii) nature and biodive
thy and inclusive economies, c
rights. These priorities guide fi
tions in identifying, assessing,
their most significant impacts
defining measurable targets,

2.3.1.1. Methodology for Identification

Physical risks arise from the effects of climate change, which may trigger sudden acute events or long-term chronic transformations in climate patterns. For a bank, these risks may affect branch operations, the value of assets and collateral, as well as customers' repayment capacity.

- Acute risks: Risks caused by disasters, such as increased severity of extreme weather events, including heatwaves, heavy rainfall, and floods.

- Chronic risks: : Risks associated with long-term changes in climate patterns (e.g., sustained high temperatures), which may cause sea level rise or persistent heatwaves.

To identify physical risks, during 2025 the Bank made progress in a structured climate risk identification exercise, applying a methodology to the Bank's branches and to the assets in its loan portfolio (consumer, commercial, and mortgage portfolios) across different locations in the country, based on short-, medium-, and long-term scenarios. This analysis integrated territorial information with climate scenarios, including the following risks:

Table 1. Types of Acute and Chronic Physical Risks

Risk Type	Climate-related risk	
Physical risks	Acute risks	Mass movements (landslides)
		Floods
	Chronic risks	Droughts
		Temperature

The identification of physical risks related to climate change was carried out through a geospatial analysis of the location of the Bank's branches. This information was cross-referenced against publicly available national data on climate hazards, territorial vulnerability levels, and risks associated with extreme events such as floods, landslides (mass movements), and droughts.

Figure 2. Methodology for Id

1. Base information collect

- National list of Banc branches
- List of assets associ Banco Popular's portfol
- Baseline mapping of ph
- Publicly available clima rio information

4. Consolidation of results

- Physical risk identificat for Banco Popular
- Generation of a phy identification matrix
- Heat map and geogra of the identified physic

2.3.1.2. Risk Assessmen

Risk is defined as the probabilit specific period of time. This risk and vulnerability, both of which

In this context, risk assessment ment methodology proposed b Planeación, its Spanish acronym level to which the Bank's branch

Figure 3. Risk Assessment Matrix

Hazard \ vulnerability	Very high	High	Medium	Low	Very low
Very high	Very high risk	Very high risk	High risk	Medium risk	Low risk
High	Very high risk	High risk	High risk	Medium risk	Low risk
Medium	High risk	High risk	Medium risk	Medium risk	Low risk
Low	High risk	Medium risk	Medium risk	Low risk	Low risk
Very low	Medium risk	Low risk	Low risk	Low risk	Very low risk

2.3.1.3. Methodology for Climate Change Scenario Analysis

The analysis of the risk level associated with climate events that could affect the Bank's branches and portfolio was conducted using three climate scenarios developed by the IPCC (SSP1-2.6, SSP2-4.5, and SSP5-8.5). These scenarios reflect different emissions pathways and their effects on changes in precipitation and temperature levels. The main characteristics of the climate scenarios used are described below:

1. **SSP1-2.6 Scenario:**

Represents a world that has made significant progress toward sustainability, with an emphasis on achieving global development goals and reducing inequality.

- **Characteristics:**
- Strong international cooperation.
- High investment in education and health.
- Rapid adoption of renewable energy technologies.
- Significant reduction in poverty and inequality.

- Mixed progress in reducing i
- Continued reliance on fossil
- Medium population growth.

3. SSP5-8.5 Scenario:

Represents a scenario of rapid e

Characteristics:

- High economic growth.
- Technological development
- High energy demand.
- Low investment in sustainab
- High population growth asso

In addition, the analysis was co

- Short term (ST) – 2020–204
- Medium term (MT) – 2040–2
- Long term (LT) – 2060–2080

Increases in the intensity and fr
and floods by saturating the so
rrain. Likewise, variability in pre
over prolonged periods, may ex
overflows and water accumulat
rature, combined with prolonge
ration and reducing water avail

2.3.1.4. Results – Physic

2.3.1.4.1. Physical Risks Ass

To analyze physical risks assoc
climate hazards in order to ide
ted physical events. In particul

A landslide (mass movement) is a process through which a volume of material composed of rock, soil, earth, debris, or rubble moves downslope due to gravity. These phenomena, commonly known as landslides or slope failures, are recurrent in Colombia due to the country's topographic conditions (IDIGER, its Spanish acronym).

In this context, an analysis was conducted to determine the risk level to which Banco Popular's branches nationwide are exposed to this type of event. The detailed analysis is presented below.

Figure 4. Landslide Results for Branches

Current Risk

Risk Level	No. of branches	Share (%)
Very high risk	0	0%
High risk	3	1.51%
Medium risk	63	31.66%
Low risk	92	46.23%
Very low risk	41	20.60%
Total	199	100

Risk under Climate Change Scenarios

Risk Level under Climate Scenario SSP1-2.6	Short Term (ST) 2020–2040	Medium Term (MT) 2040–2060	Long Term (LT) 2060–2080
Very high risk	–	0	0
High risk	–	38	39
Medium risk	–	73	78
Low risk	–	78	72
Very low risk	–	10	10

Level under Climate Scenario SSP5-8.5	Shor[t Term (ST)] 20[20–2040]
Very high risk	
High risk	
Medium risk	
Low risk	
Very low risk	

As shown, over longer time horiz
upward trend in landslide risk af
scenario, where the number of b
period to 54 in 2060–2080.

Likewise, the departments of Cu
ghest number of branches with

These results provide the Bank w
highlight the importance of ma
as a relevant input for strength
definition of measures that cont

- **Acute Physical Risk – Floodi**

Floods occur when excess wate
process in the regulation of wa
flood-prone areas can cause se
treme rainfall events, often asso
management.

With regard to vulnerability, the
along riverbanks or within prote
context, an analysis was condu
ches nationwide from these eve

Figure 5. Flood Results for Branc

Current Risk

Risk under Climate Change Scenarios

Risk Level under Climate Scenario SSP1-2.6	Short Term (ST) 2021–2040	Medium Term (MT) 2041–2060	Long Term (LT) 2061–2080
High risk	–	10	12
Medium risk	–	118	121
Low risk	–	71	66

Risk Level under Climate Scenario SSP2-4.5	Short Term (ST) 2021–2040	Medium Term (MT) 2041–2060	Long Term (LT) 2061–2080
High risk	9	9	15
Medium risk	142	142	153
Low risk	48	48	31

Risk Level under Climate Scenario SSP5-8.5	Short Term (ST) 2021–2040	Medium Term (MT) 2041–2060	Long Term (LT) 2061–2080
High risk	7	7	13
Medium risk	83	83	141
Low risk	109	109	45

As shown in the scenarios, there is a progressive trend in the level of flood risk affecting Banco Popular's branches as time horizons extend, particularly under more severe climate scenarios. Under

- **Chronic Physical Risk – Dro**

Droughts occur when precipitat
ter scarcity in soils, water bodie
their frequency and intensity m
of water resources. Among the
agricultural expansion, and the

In this context, an analysis was
the level of risk faced by Banc
analysis is presented below.

Figure 6. Drought Results for Br

Risk under Climate Change Scena

Risk Level under Climate Scenario SSP1-2.6	Short T 2021
High risk	
Medium risk	
Low risk	

Risk Level under Climate Scenario SSP2-4.5	Short T 2021
High risk	

Risk Level under Climate Scenario SSP5-8.5	Short Term (ST) 2021–2040	Medium Term (MT) 2041–2060	Long Term (LT) 2061–2080
High risk	–	–	42
Medium risk	199	199	157
Low risk	–	–	–

The drought risk analysis shows a high degree of stability in risk levels under the low- and medium-emissions climate scenarios considered (SSP1-2.6 and SSP2-4.5), in which all branches remain at a medium risk level across all evaluated time horizons.

This result indicates that, under these climate pathways, no significant changes are projected in the Bank's exposure to drought events, with conditions remaining similar to current levels and no increase toward high risk levels is observed. This stability is maintained in the short, medium, and long term, suggesting that the severity and frequency of such events would not change significantly in the areas where branches are located.

However, the high-emissions scenario (SSP5-8.5) projects a gradual variation in risk levels, particularly in the long term, where 42 branches (21.11%) are classified as high risk, while 157 branches (78.89%) remain at medium risk. This result indicates that, under more severe climate conditions, certain locations could experience greater relative exposure to drought events. In this context, the Bank will monitor these conditions to assess their evolution, given the long-term nature of the potential impact.

Finally, for the drought variable, the current scenario was not considered, as this risk has a predominantly chronic nature and its materialization becomes more evident over future time horizons. For this reason, the analysis focused on forward-looking climate scenarios, which allow for a more appropriate assessment of the potential evolution of this risk in the short, medium, and long term.

- **Classification of Physical Ri**

The estimated risk level results c
their potential materialization a

Table 2. Results by Category ac

Climate Risk	Ca
Physical	Floods
	Mass mov (landslide
	Droughts

2.3.1.4.2. Physical Risks Ass

Physical Risk from Floods, Lan Loan Portfolio

With regard to the loan portfol
consumer, and mortgage portfo
rable aspect for the Bank. Howe
(Tables 3, 4, and 5), as well as a
narios in the medium and long t
customer segments and on the

Table 3. Exposure to Acute Phys

High flood risk exposure	Curr

Table 4. Exposure to Acute Physical Risk from Landslides (Mass Movements)

High landslide risk exposure	Current	SSP1-2.6		SSP2-4.5			SSP5-8.5		
		MT	LT	ST	MT	LT	ST	MT	LT
Commercial loan portfolio	0.04	34.20	34.27	34.20	34.20	34.35	0.05	0.05	34.21
Consumer loan portfolio	0.56	11.94	12.56	12.72	12.72	15.73	2.98	2.98	15.28
Mortgage loan portfolio	0.35	16.01	16.17	15.80	15.80	17.23	1.73	1.73	16.14
Total portfolios	**0.95**	**62.15**	**63**	**62.72**	**62.72**	**67.31**	**4.76**	**4.76**	**65.63**

Table 5. Exposure to Chronic Physical Risk from Drought

High drought risk exposure	SSP1-2.6			SSP2-4.5			SSP5-8.5		
	ST	MT	LT	ST	MT	LT	ST	MT	LT
Commercial loan portfolio	–	–	–	–	–	–	–	–	10.18
Consumer loan portfolio	–	–	–	–	–	–	–	–	15.54
Mortgage loan portfolio	–	–	–	–	–	–	–	–	46.98
Total portfolios	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**72.70**

These results indicate that the aggregate exposure of the portfolio remains at controlled levels; however, climate change is a relevant factor to be considered within the Bank's strategic analysis, given its potential impact in the medium and long term. In this regard, monitoring and differentiated Risk management by sector and region will continue to be strengthened, as well as the gradual incorporation of these variables into planning processes and strategic decision-making.

- Climate Scenarios by Produ

The Bank has developed a forw
on the sectors that make up the
corporation of this factor into co

Table 6. Results under Climate

Climate scenario	Result	< 1°
SSP1-2.6	Total	103
	Percentage (%)	19.9
SSP2-4.5	Total	102
	Percentage (%)	19.7
SSP5-8.5	Total	93
	Percentage (%)	17.9

Under the climate scenarios and
exposure to temperature increa
in the 1°C to 2°C increase range,
and long term, a progressive tra
more favorable climate pathwa

- **Climate Scenarios – Consu**

Table 7. Results under Climate

Climate scenario	Result	< 1°

Across the three climate scenarios assessed, clients in the consumer portfolio show progressive exposure to temperature increases over time. In the short term, most clients fall within the 1ºC to 2ºC increase range, reflecting moderate change conditions and consistent behavior across different segments, including self-employed individuals, retirees, and employees from both the public and private sectors.

- **Climate Scenarios – Mortgage Portfolio**

Table 8. Results under Climate Scenarios SSP1-2.6, SSP2-4.5, and SSP5-8.5

Climate scenario	Result	Short term (ST) 2020 – 2040			Medium term (MT) 2040 - 2060			Long term (LT) 2060 - 2080		
		‹ 1 °C	› 1 y ‹ 2 °C	› 2 °C	‹ 1 °C	› 1 y ‹ 2 °C	› 2 °C	‹ 1 °C	› 1 y ‹ 2 °C	› 2 °C
SSP1-2.6	Total (No.)	146	558	23	83	579	65	39	594	94
	Percentage	20.08%	76.75%	3.16%	11.42%	79.64%	8.94%	5.36%	81.71%	12.93%
SSP2-4.5	Total (No.)	136	548	43	7	559	161	–	142	585
	Percentage	18.71%	75.38%	5.91%	0.96%	76.89%	22.15%	–	19.53%	80.47%
SSP5-8.5	Total (No.)	118	566	43	–	138	589	–	5	722
	Percentage	16.23%	77.85%	5.91%	–	18.98%	81.02%	–	0.69%	99.31%

Clients in the mortgage portfolio show progressive exposure to temperature increases across the different time horizons. In the short term, most are concentrated within the 1ºC to 2ºC increase range, reflecting moderate warming conditions that are relatively homogeneous among private-sector employees, public-sector employees, and retirees.

However, in the medium and long term, the proportion of clients located in areas with temperature increases above 2ºC gradually rises, a trend that becomes more pronounced under the SSP2-4.5 and SSP5-8.5 scenarios. In particular, under the SSP5-8.5 scenario, a significant share of the portfolio falls within higher temperature ranges in the long term, highlighting the importance of continuing to strengthen the monitoring of these factors in climate Risk management.

2.3.2. Transition Risks

Table 9. Types of Transition Risks

Risk type	
Transition risks	Ma
	Flo
	Dro
	Ter

The identification of transition r
with the recommendations of t
banking sector. This methodolo
anticipate risk factors associate
included:

Figure 7. Methodology for Ident

1. Definition of the Cor

- Identify relevant bu
- Determine operati

2. Benchmarking of Tra

- Review TCFD reports
- Identify common ar
- Incorporate relevan gthen the sectoral p
- Document differenc exposure.

3. Selection of Transitio

- Select reference sce
- Translate scenarios such as sectoral exp
- Assess the sensitivit

5. Sectoral Exposure Mapping

- Analyze the sectoral composition of the loan portfolio.
- Use tools such as portfolio heat maps.

6. Consolidation of Results

- Prepare the transition risk identification report for Banco Popular.
- Develop a transition risk identification matrix.
- Develop a heat map of identified transition risks.

In this context, transition risks are analyzed based on four main dimensions: market risks, reputational risks, technological risks, and regulatory risks, supporting a comprehensive assessment of their potential impact on the Bank's business model and financial stability.

Figure 8. Definitions of Transition Risks

Market Risks Rising commodity costs	Market risks arising from higher energy, input, and service costs driven by the climate transition, affecting both clients' repayment capacity and the Bank's own operating expenses, thereby increasing the need to strengthen climate risk management.
Market Risks Shifts in consumer behaviour	Risks stemming from consumers shifting preferences toward sustainable financial products and services; failure to adapt the portfolio and climate strategies in a timely manner could result in loss of market relevance, client loyalty, and competitive positioning.
Reputational Risks Heightened stakeholder concern	Reputational risk if the climate and sustainability strategy is not continuously strengthened, as investors, regulators, and other Stakeholders expect active management of climate-related risks and opportunities; failure to do so could restrict access to financing and undermine institutional trust.
Technological Risk Low-emission	Technological risk associated with the costs of adopting low-emis-

2.3.2.2. Results of Transitio

The main transition risks assess
ring factors such as the evolutio
costs and availability of raw ma
expectations of consumers, inve

Table 10. Transition Risk Results

Climate risk	
Transition	Market risks – Increase
	Market risks – Changes
	Increased concern from
	chnological risks – Tran
	Regulatory and legal ris climate obligations

Additionally, transition risks were
TCFD. For this purpose, these risk
twork for Greening the Financial
nario, and the Fragmented Worl

Figure 9. Results of NGFS Climat

Market risk
Reputational risk
Technological risk
Regulatory and legal risk

Net Zero Rapid, strict transition: ambitious policies to reach net-zero emissions by 2050.

ow 2°C Gradual transition: policies tighten over time and

This analysis strengthens the management of these risks within the Bank's comprehensive Risk management framework.

2.3.3. Climate Risk Management and Mitigation

The Bank used a technical framework to identify and define the risks requiring deeper assessment. This process was based on the following components:

1. **Physical Risk Matrices (Hazard x Vulnerability):**

Based on the geospatial analysis conducted, branches and portfolio assets were assessed against risks such as landslides (mass movements), floods, and droughts. This methodology helps identify geographic areas and portfolio segments with high and very high risk levels, supporting decision-making for prioritization and management.

2. **Transition Risk Analysis:**

Transition risks were identified and assessed using criteria aligned with TCFD recommendations, considering regulatory, market, technological, and reputational risks. Prioritization focuses on sectors with greater exposure to regulatory changes, energy transition, Stakeholder pressure, or the adoption of new technologies, in accordance with the composition of the Bank's portfolio.

3. **Risk Prioritization:**

Risks that could affect portfolio quality and business operational continuity are prioritized. As a result, the Bank has a heat map identifying the associated climate risk, its category, and its impact within the portfolio. With a classification ranging from very low to very high, this tool supports visualization of potential impacts on each if any of the identified risks materialize.

2.3.4. Mitigation and Adaptation Measures

2.3.4.1. Mitigation

Within the framework of Grupo Aval's Climate Strategy, the Bank will make progress in implementing climate change mitigation measures, consistent with its role as a financial institution and with the comprehensive risk management approach adopted by the Group. These actions will be developed in accordance with the principles of proportionality and relevance, considering the nature and characteristics of the Bank's business.

2.3.5. Business Opportu

Climate change and the transit
management by the Bank, but
model. These opportunities ma
their adaptation and productiv
associated with climate change
the regulatory and market envir
tal criteria into investment and f

In this context the Bank has ide
financial risks, strengthening its
different climate scenarios.

Table 11. The Bank's Climate Op

Type of opportunity	Opportunity
Energy sources	Increase in own renewable energy generation
Resource efficiency	Eco-efficiency initiatives
Market Access / Capabilities	ESMS
Resilience	Alliances, initiatives & strategies
	S...

The identification of opportunities is complemented by an analysis of the Bank's strategic resilience to climate risks. Recognizing the uncertainty associated with available information and the fact that impacts may vary depending on the climate scenario, time horizon, and type of risk, the Bank will continue to deepen its analysis of its climate strategy in order to comprehensively understand how these factors may affect its business model, operations, and loan portfolio.

Based on the physical and transition Risk assessment exercise, the Bank has an initial basis for understanding its level of exposure and vulnerability, as well as to define lines of action aimed at strengthening its response capacity. In this context, for the 2026–2027 period, the Bank plans to further strengthen the resilience analysis of its climate-related strategic definitions, supported by the implementation of SARAS (Environmental and Social Risk Management System, its Spanish acronym) and the results obtained from the risk and opportunity identification exercises. This process will support a deeper assessment of the institutional strategy's capacity to respond to different climate scenarios and the progressive adjustment of comprehensive risk management mechanisms.

Additionally, the Bank will continue to strengthen its internal capabilities and progressively refine the methodologies and data used in these analyses, in line with the evolution of regulatory frameworks and leading practices in the financial sector. These advances will serve as inputs for strategic decision-making and for the continuous strengthening of the business model in response to the challenges and opportunities arising from climate change.

2.3.6. Implementation of the Environmental and Social Risk Management System, including Climate Risks (ESMS)

In accordance with the provisions of External Circular 015 of 2025 issued by the Financial Superintendency of Colombia (SFC, its Spanish acronym), the Bank is advancing in implementing ESMS in compliance with the guidelines established in Sections I and II of such regulation, to meet the deadlines set forth therein. As part of this process, internal working groups have been established to strengthen the structuring of methodologies and to define the roles and responsibilities of the teams involved in managing environmental, social, and climate risks, in accordance with the nature, size, complexity, and risk profile of the Entity. In this context, the Bank will submit the Environmental and Social Risk Management Policy, including Climate Risks, to the Board of Directors for approval, taking into account the principles of relevance and proportionality established in the Circular.

2.4. Metrics and Targets

2.4.1. Management of Climate Metrics

2.4.1.1. Environmental Met

The Bank conducts annual mor
cluding energy consumption, w
consolidated and form part of it

Table 12. Environmental Indicat

Source / consumpt
Energy consumption (
Water consumption (
Waste (Kg)

2.4.1.2. Emissions Metrics

The Bank currently reports Scope
15 – financed emissions), with th

Table 13. Historical GHG Emissio

Scope	2022
Scope 1	342.2
Scope 2	1,559.7
Scope 3	180.8
Total	**2,083.8**

As part of its commitment to cl

2.4.1.3. Metrics associated with physical and transition risks

In line with Grupo Aval's climate strategy, the Bank is progressively strengthening a set of metrics aimed at measuring and managing physical and transition risks, including progressive measurement and management of its carbon footprint.

2.4.1.3.1. Carbon footprint management

Grupo Aval and its entities track metrics aimed at measuring, reducing, offsetting, and neutralizing the greenhouse gas (GHG) emissions associated with their operations. These metrics focus primarily on Scope 1 and Scope 2 emissions, and progressively on the main categories of Scope 3.

2.4.1.3.2. Financed emissions

Likewise, since 2025, Grupo Aval and the Bank have been signatories of the Partnership for Carbon Accounting Financials (PCAF), reaffirming their commitment to strengthen the measurement, management, and disclosure of financed emissions, as well as to developing targets aligned with leading international practices. As a result, the Bank will progressively advance the measurement of its financed emissions in 2026 and 2027.

2.4.2. Identification of climate targets

2.4.2.1. Emissions Reduction Targets

For 2025, the Bank had a 5% reduction target for energy and water consumption, as part of its actions aimed at strengthening resource-use efficiency. These initiatives are linked to the work the Bank has been developing to establish emission reduction and offset targets focused on its corporate carbon footprint, aimed at optimizing resource consumption and progressively advancing toward offsetting 100% of its operational emissions (excluding financed emissions).

Disclosure Topic	Accounting Metric	Co
Sustainability Disclosure Topics and M		
Data Security	(1) Number of data breaches, (2) percentage of data breaches involving personally identifiable information (PII), (3) number of account holders affected	FN- 23
	Description of the approach to identifying and addressing data security risks	FN- 23

<table>
<tr><th>Disclosure Topic</th><th>Accounting Metric</th><th>Code</th><th>Response</th></tr>
<tr><th colspan="4">Sustainability Disclosure Topics and Metrics</th></tr>
<tr><td rowspan="3">Financial Inclusion and Capacity Building</td><td>(1) Number and (2) amount of loans outstanding qualified for programs designed to promote small businesses and community development</td><td>FN-CB-240a.1</td><td>
<table>
<tr><th>Targeted loans</th><th>Total disbursements</th><th>Total balance 2025 (COP)</th></tr>
<tr><td>MSMEs</td><td>428</td><td>$324,724,711,207</td></tr>
<tr><td>Community Development</td><td>78,250</td><td>$3,820,508,140,625</td></tr>
</table>
The indicator corresponding to loans directed at community development is calculated based on the number of disbursements and the balances at the close of the period for individuals over 60 years of age, in accordance with the Bank's prioritization of this segment.</td></tr>
<tr><td>(1) Number and (2) amount of past-due and non-performing loans qualified for programs designed to promote small businesses and community development</td><td>FN-CB-240a.2</td><td>
<table>
<tr><th>Targeted loans</th><th>Classification</th><th>Total disbursements</th><th>Total balance 2025</th></tr>
<tr><td rowspan="2">MSMEs</td><td>Past-due loans</td><td>10</td><td>$30,762,183,791</td></tr>
<tr><td>Non-performing loans</td><td>2</td><td>$458,830,080</td></tr>
<tr><td rowspan="2">Community Development</td><td>Past-due loans</td><td>897</td><td>$31,488,689,776</td></tr>
<tr><td>Non-performing loans</td><td>443</td><td>$12,667,471,649</td></tr>
</table></td></tr>
<tr><td>Number of no-fee retail checking accounts provided to previously unbanked or underbanked</td><td>FN-CB-240a.3</td><td>No-fee accounts: defined as bank accounts with no recurring fixed charges for product administration, monthly or annual maintenance fees, or minimum average balance requirements.
Unbanked: those who have no account at a formal financial institution (e.g., savings, checking) nor any other regulated financial product (credit, card, insurance) that allows them to actively participate in the formal financial system.
Underbanked customers: those who have access to the formal financial system (e.g., some account, credit, or insurance) but in a very limited, unproductive way, or with significant barriers that prevent them from making full use of it;.e., they are below the optimal level of financial inclusion: they use very few products, the products are inadequate, they have high costs, restricted access, or marginal use.
Underserved customers: those who have no access, have limited access, or face any other limitation to accessing general financial services, often due to a limited or non-existent credit history. These tend to be young people, migrants, older adults, ethnic minorities, low-income individuals,</td></tr>
</table>

<table>
<tr><th>Disclosure Topic</th><th>Accounting Metric</th><th>Co</th></tr>
<tr><th colspan="3">Sustainability Disclosure Topics and M</th></tr>
<tr><td></td><td>Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers</td><td>FN-CB-240a.4</td></tr>
</table>

Disclosure Topic	Accounting Metric	Code	Response				
Sustainability Disclosure Topics and Metrics							
			Program or initiative	**Specific target group**	**Exclusion barrier addressed**	**Relationship with financial inclusion**	**Reach**
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	FN-CB-240a.4	Disclosure of product portfolio information and financial education at branches	Customers in general	1. Lack of products and services adapted to customer needs 2. Low financial literacy	This initiative aimed to strengthen customers' knowledge of the Bank's product portfolio, as well as financial education and banking security.	N/A
			Publication of product and service portfolio information on the website	Customers and non-customers	1. Lack of awareness of the financial system	This initiative sought to strengthen customers' knowledge of the Bank's product portfolio and promote financial inclusion. In 2025, the website had a total of 4,407,165 visitors.	N/A
			Llavetones	Customers and non-customers	1. Low adoption of digital payment methods 2. Predominant use of cash	Pedagogical campaigns aimed at Bank customers and customers of other financial institutions, oriented toward registering keys to receive money free of charge, quickly, and securely, as well as to make transfers to other keys via Bre-B.	94,551 participants
			Information sessions for payroll offices on the Insolvency Law (Cremil)	Older adults (+60 years) / Women	1. Low financial literacy 2. Lack of awareness of the financial system	Educational activities aimed at customers to strengthen their understanding of the financial system and the Insolvency Law.	260 participants
				Older	1. Age-based ex-	The Mijo Assistants initiative was positioned as a strategic lever for financial education and digitalization. Its implementation actively promoted the use of digital channels	1,050 be-

Disclosure Topic	Accounting Metric	Co
Sustainability Disclosure Topics and M		
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	FN- 240

Disclosure Topic	Accounting Metric	Code	Response
Sustainability Disclosure Topics and Metrics			
Incorporation of Environmental, Social and Governance Factors in Credit Analysis	Description of the approach to incorporating environmental, social, and governance (ESG) factors in credit analysis	FN-CB-410a.2	Banco Popular is in the process of incorporating ESG factors into its credit analysis, in alignment with the provisions of the SFC's Circular 015 of 2025. In this context, during 2026, progress will be made and initiatives will be implemented aimed at integrating these factors into the Bank's credit analysis processes, under the principles of materiality, proportionality, and relevance.
Financed Emissions	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	FN-CB-410b.1	During 2025, the Bank did not measure its financed emissions. However, as part of the strengthening of its environmental and climate management, in 2026 the measurement process for these emissions will be initiated, to be developed under the methodological framework of the Partnership for Carbon Accounting Financials (PCAF) with the aim of advancing the identification, monitoring, and management of the impacts associated with its financing portfolio.
	Gross exposure of each sector by asset class	FN-CB-410b.2	
	Percentage of gross exposure included in the calculation of financed emissions	FN-CB-410b.3	
	Description of the methodology used to calculate financed emissions	FN-CB-410b.4	
	Total amount of monetary losses as a result of legal proceedings		

Disclosure Topic	Accounting Metric	Co
Sustainability Disclosure Topics and M		
	Description of whistleblowing policies and procedures	FN-51

Disclosure Topic	Accounting Metric	Code	Response
Sustainability Disclosure Topics and Metrics			
Systemic Risk Management	Score on the global systemically important banks (G-SIB) assessment, by category	FN-CB-550a.1	Currently, Banco Popular is not part of the global systemically important banks (G-SIB) assessment.
	Description of the approach to incorporating the results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	FN-CB-550a.2	The results of stress tests, both mandatory and voluntary, together with the capital planning reports required under the SFC's prudential regulatory framework, are essential instruments for the strategic management of our institution. These exercises make it possible to assess the strength of our balance sheet against adverse macroeconomic scenarios, identify vulnerabilities in the risk structure, and anticipate capital and liquidity needs. Integrating these results into capital planning ensures that we maintain adequate prudential buffers, aligned with regulatory requirements and with our own risk tolerance. In turn, this discipline strengthens the confidence of supervisors, investors, and clients, and ensures that our strategic decisions are grounded in robust, forward-looking analysis. The findings from stress tests and prudential reports are incorporated into our long-term strategy, guiding the efficient allocation of capital toward strategic businesses, risk diversification, the design of responsible credit policies, liquidity management, product development, and investment planning, ensuring that our institution is prepared to face changing environments with resilience and a forward-looking vision.
Activity Metrics			
Activity Parameters	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	FN-CB-000.A	(see table below)

Item	Individuals	MSMEs
Number of active checking accounts at year-end 2025	1,724	2,321
Value of active checking accounts at year-end 2025	$36,357,599,390	$191,533,696,890
Number of active savings accounts at year-end 2025	707,635	2,467
Value of active savings accounts at year-end 2025	$3,184,705,178,704	$1,444,243,889,155

Loans	2025
Number of disbursements – personal	137,078

3.1. Disclosure of Indi

The Bank will consider the integr
and practices with its subsidiari
the matters involved.

Furthermore, considering that it
application criteria of this instru
consult the information regardi
ted issues, in the report publishe