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ABAC POLICY

ABAC MANUAL

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1. PROCESS

Control – ABAC – Anti-Bribery and Anti-Corruption Risk Management System.

2. INTRODUCTION

Domestic and/or transnational bribery, corruption, and internal fraud are not permitted. Therefore, it is prohibited to offer, promise, pay, give, or authorize the delivery of anything of value (such as gifts, business entertainment, discounts, meals, travel, goods, services, employment for family members, or charitable contributions, among others), whether directly or indirectly (through a third party), to any government or private-sector official to influence a business or official decision and/or obtain or retain business or any advantage. This prohibition applies regardless of whether the payment is described as a facilitation payment or an expediting payment and specifically includes providing anything of value to any third party while knowing, or being aware of a high probability, that such third party will, in turn, offer, promise, or provide a benefit prohibited under this Policy.

An act of bribery, corruption, and/or internal fraud may materially affect the image and reputation of Banco Popular and its subordinate entities, in addition to violating the law and undermining the trust of employees, investors, shareholders, business partners[1], customers, and the broader business environment. Recognizing these consequences, Banco Popular is committed to the highest ethical standards in its relationships with stakeholders and to compliance with local laws and regulations, as well as those applicable to it as a securities issuer in local and international markets, where applicable[2].

In response to this commitment, Banco Popular has established the Anti-Bribery and Anti-Corruption Risk Management System (ABAC – Anti-Bribery and Anti-Corruption) as the mechanism for planning, implementing, measuring, and continuously improving guidelines and coordinated actions designed to prevent bribery, corruption, and/or internal fraud, promote transparency in management practices, deter improper conduct, and encourage stakeholder commitment to combating corruption, which, according to the internal fraud tree classification established by the Association of Certified Fraud Examiners (ACFE), includes conflicts of interest, illegal gratuities, bribery, and economic extortion, all of which are addressed in the ABAC Policy.

The ABAC Risk Management System is implemented through this Policy, which incorporates the requirements of applicable local and foreign regulations regarding anti-bribery, anti-corruption, and internal anti-fraud matters, as well as the internal policies of Grupo Aval. It is aligned with the internal control framework established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), to facilitating control and management of bribery, corruption,

[1] **Business partners** are those counterparties or stakeholders that are not limited to clients or financial consumers, but also include suppliers, contractors, consultants, vendors, advisors, agents, distributors, representatives, and intermediaries with whom the Bank has or intends to establish a business relationship.

[2] Foreign Corrupt Practices Act (FCPA) of 1977.

and internal fraud events and support Banco Popular and its subordinate entities in achieving their operational, financial, compliance, criminal compliance, and ethical management objectives. Under this framework, the Policy includes the components of the control environment, risk assessment, control activities, information and communication, and monitoring activities.

3.GENERAL OBJECTIVE

Integrate the elements and components of Banco Popular's Internal Control System into the ABAC Risk Management System, as well as Grupo Aval's Corporate Guidelines on this matter, to identify, prevent, minimize the likelihood of occurrence, and manage events related to internal fraud, bribery, and/or corruption within Banco Popular and its subordinate entities, while promoting and reinforcing the principles and values set forth in the Code of Ethics and Conduct and in the Compliance, Criminal Compliance, and Ethics Management System.

3.1 SPECIFIC OBJECTIVES

- Promote an ethical culture within Banco Popular and its subordinate entities aimed at mitigating bribery and corruption risks and risks arising from relationships with third parties and intermediaries.
- Establish guidelines for the effective and timely prevention, detection, investigation, and remediation of internal fraud, bribery, and/or corruption events within Banco Popular and its subordinate entities.
- Guide the Bank in mitigating bribery, corruption, and/or internal fraud risks through an effective and timely process for identifying, assessment, and implementation of controls.
- Incorporate international best practices and the provisions established by both local anti-bribery, anti-corruption, and internal anti-fraud regulations, as well as the United States Foreign Corrupt Practices Act (FCPA), consistent with Grupo Aval's listing on the New York Stock Exchange (NYSE).
- Encourage employees of Banco Popular and its subordinate entities to understand and act consistently with the civil and criminal liability that may arise, both in Colombia and abroad, from non-compliance with these regulations.

4. SCOPE

Through this Policy, the ABAC Risk Management System defines, the scope for managing risks associated with domestic and transnational bribery and corruption in the Bank's processes, operations, products, services, and jurisdictions that, following analysis of internal and external contexts, are exposed to the materialization of ABAC risks, with particular emphasis on transactions identified as special operations.

The ABAC Policy shall apply to the Board of Directors, all employees, third-party intermediaries, and individuals conducting business on behalf of the Bank, so that their actions and the performance of their duties are aligned with the established principles and the highest legal standards and requirements.

Likewise, best efforts should be made to ensure that entities in which ownership interests do not provide a controlling position, as well as suppliers and counterparties, adopt these principles. The Policy must also be implemented by Banco Popular's subordinate entities, considering the size and complexity of their respective operations.

5. REGULATORY FRAMEWORK

- **Law 1778 of 2016**

  Establishes rules regarding the liability of legal entities for acts of transnational corruption and other anti-corruption provisions, including the applicable sanctions regime.

- **ISO 37001 International Standard – Anti-Bribery Management Systems**

  Specifies requirements and provides guidance for organizations to establish, implement, maintain, review, and improve an Anti-Bribery Management System.

- **Colombian Criminal Code and Colombian Anti-Corruption Statute (Law 1474 of 2011)**

  The Colombian Criminal Code classifies embezzlement, bribery, extortion by public officials, improper contract execution, influence peddling, among others, as crimes against public administration.
  Likewise, the Colombian Anti-Corruption Statute establishes regulations aimed at strengthening mechanisms for the prevention, investigation, and sanctioning of acts of corruption and strengthening the effectiveness of public management oversight.

- **Foreign Corrupt Practices Act (FCPA)**

  The Foreign Corrupt Practices Act, as amended, 15 U.S.C. §§ 78dd-1 et seq. (FCPA), was enacted to prohibit for certain categories of persons and entities to make payments to foreign government officials to obtain or retain business.
  The FCPA prohibits U.S. companies and issuers registered with the U.S. Securities and Exchange Commission (SEC), as well as any of their subordinate entities, regardless of where their operations or employees are located, from directly or indirectly facilitating the payment of bribes to foreign public officials to obtaining benefits from such actions.

- **Sarbanes-Oxley Act (SOX)**

  A U.S. law enacted in 2002 with the objectives of improving the internal control environment of companies listed on U.S. stock exchanges; define and formalize compliance responsibilities for the Chief Executive Officer (CEO), Chief Financial Officer (CFO), and financial auditors; and prevent accounting and reporting errors.

- **Other Applicable Anti-Bribery and Anti-Corruption Regulations in Other Jurisdictions**

6. CONTROL ENVIRONMENT

6.1 STATEMENT OF COMMITMENT

Banco Popular and its subordinate entities are committed to a zero-tolerance policy toward bribery, internal fraud, and corruption in any form, promoting a culture that combats such conduct and supports the conduct of business and operations under the highest ethical standards and in compliance with applicable laws and regulations.
To this end, Banco Popular and its subordinate entities commit to:

- Manage, in accordance with established principles and through a structured and strategic approach, the risks of internal fraud, bribery, and/or corruption associated with the business and its relationships with third parties and intermediaries.

- Continuously promote an ethical, anti-internal fraud, anti-bribery, and anti-corruption culture as an essential element for the prevention, detection, investigation, and remediation of internal fraud, bribery, and/or corruption.

- Prevent damage to image and reputation through the adoption and enforcement of provisions that prohibit actions constituting internal fraud, bribery, and/or corruption.

- Present information and record transactions accurately, while maintaining internal controls to ensure that shareholder assets are properly monitored and safeguarded.

The Management of Banco Popular and its subordinate entities is committed to anti-internal fraud, anti-bribery, and anti-corruption management and is responsible for monitoring compliance with this Policy, which serves as the foundation of the Anti-Bribery and Anti-Corruption Risk Management System.

Management and control bodies are also responsible for ensuring that internal fraud, bribery, and/or corruption risks are appropriately managed and that incidents are properly reported and investigated, as well as for taking the corresponding disciplinary measures as a deterrent against future acts of internal fraud, bribery, and/or corruption.

In line with the foregoing, Banco Popular has adopted the following guidelines:

- Prudence, when identifying, managing, and reaching conclusions regarding any potential event of internal fraud, bribery, and/or corruption that may arise within the Bank and its subordinate entities. Concluding that a case does not constitute a violation of ABAC regulations may be as detrimental as concluding that a violation exists without sufficient information to support either conclusion.

- Materiality, identifying acts of internal fraud, bribery, and/or corruption based on clear analytical criteria and investigation results to determine the appropriate escalation levels within Banco Popular. Although ABAC regulations may be violated by any payment or gift regardless of amount (since the determining factor is the "corrupt intent"), sound judgment must be applied to determine whether the investigated case is sufficiently significant to be escalated within the Group and analyzed jointly with areas such as Legal and, when necessary, with external advisors.

- Documentation, any investigation and conclusion regarding events of internal fraud, bribery, and/or corruption must be properly documented to support the conclusions reached and for purposes of internal and external audits and potential requests from competent authorities.

- Cooperation, in the event of any request from competent authorities, Banco Popular shall cooperate by providing the required information, ensuring its quality, and obtaining any necessary internal approvals before submitting such information.

- Expert Advice, when required, the entity shall seek guidance from experts who can first assess the conclusions reached internally regarding potential internal fraud, bribery, and/or corruption events and, second, advise the entity on the most effective manner of interacting with competent authorities in matters such as filing complaints and voluntary disclosure (self-disclosure).

Each employee is responsible for applying the criteria defined in this Policy and aligning their actions with the corporate values and guidelines established in the Compliance Policy and the Code of Ethics and Conduct. Likewise, each employee is responsible for informing and/or reporting potential cases of internal fraud, bribery, and/or corruption of which they may become aware.

6.2 RESPONSIBLE PARTIES FOR THE POLICY

The Board of Directors of Banco Popular is responsible for approving the ABAC Policy and any amendments thereto. Likewise, it is responsible for ensuring compliance with the Policy, ensuring the required human and technological resources, overseeing and monitoring of its management, and proposing adjustments and updates to this Policy in accordance with any modifications made by Grupo Aval or by decision of the entity, provided that the updates issued by Grupo Aval are maintained.

The President of Banco Popular is responsible for appointing the ABAC Officer, a role performed by the Vice President of Risk and/or the Compliance Manager, or the person acting in such capacity. The ABAC Officer must have decision-making authority and must not belong to control bodies or areas directly related to the activities contemplated within the Bank's principal corporate purpose. Together with the designated team, the ABAC Officer is responsible for implementing and ensuring compliance with the directives and guidelines established in this Policy.

The Management of Banco Popular is responsible for promoting an anti-corruption, anti-internal fraud, and anti-bribery culture, as well as ethical behavior; communicating the importance of, and employees' responsibility for, in the prevention and reporting of internal fraud, bribery, and/or corruption events; and adopting international best practices and corporate guidelines.

The Board of Directors of each subsidiary of Banco Popular is responsible for approving and overseeing the implementation of the respective ABAC Policy, while the President is responsible for appointing the ABAC Officer, who must hold at least a second-level hierarchical position within the entity. Likewise, the ABAC Officer must have decision-making authority and must not belong to control bodies or areas directly related to the activities contemplated within the entity's principal corporate purpose.

6.3 RESPONSIBLE PARTIES FOR IMPLEMENTATION AND MONITORING

Banco Popular has defined, at a minimum, the following functions and responsibilities in accordance with the Three Lines Model, namely: (i) management by each business line, (ii) management by the risk and compliance functions, and (iii) management by those responsible for conducting independent reviews of management activities[3].

Depending on the size of the business and internal capabilities, this model must be defined and implemented in each of Banco Popular's subordinate entities.

[3] New Código País: Measure No. 29: Monitoring of the Control Architecture. *"Leveraging COSO Across the Three Lines of Defense,"* published on July 7, 2015, by COSO in collaboration with the Institute of Internal Auditors, presents how responsibilities and functions related to risk management and control may be assigned and coordinated in order to minimize control gaps and the duplication of activities and responsibilities within an organization, thereby supporting the achievement of established objectives.

6.3.1 FIRST LINE

The first line, with respect to the prevention of internal fraud, bribery, and/or corruption, includes, among others, the business areas that manage operations and maintain direct contact with private and public-sector clients, as well as with third-party intermediaries who may directly or indirectly influence business decision-making. It also includes the areas responsible for accounting records (commercial areas, administrative purchasing departments, and financial areas).

In accordance with the governance structure established by Banco Popular and at the corporate level, the first line is responsible for identifying, assessing, managing, and controlling the risks inherent to the products, activities, processes, and systems under its responsibility that have an ABAC impact. This line must understand and apply the relevant policies and processes and must have sufficient resources to effectively perform these responsibilities.

6.3.2 SECOND LINE

As the second line of defense, the Risk Vice Presidency assigns responsibility to the Compliance Management Department and the ABAC and Compliance Methodologies Department to continuously monitor compliance with obligations related to bribery and corruption risks. This includes supporting process owners (first line) in identifying risks and key controls sufficient for their mitigation, as well as assessing the attributes of each control to determine the residual risk that must be monitored. This includes assessing control attributes to determine whether they operate consistently and systematically, enabling the communication of any significant deficiencies to the ABAC Officer, who, in turn, shall notify the Board of Directors and/or the Ethics and Conduct Committee, as applicable.

For this purpose, the second line must challenge business areas using appropriate internal fraud, bribery, and/or corruption risk management tools, performing risk measurement activities and utilizing technological tools and red flags. The employee or team assigned to these responsibilities serves as the point of contact for all matters related to such issues before internal and external authorities, including supervisory and judicial authorities. Likewise, ABAC best practices involve the second line in evaluating compliance with control elements that mitigate the risks of internal fraud, bribery, and/or corruption in special operations with ABAC exposure.

Based on the foregoing and given the significance of the second line's role in supporting Management, it is responsible for providing approval by indicating whether operations prioritized according to their level of risk exposure comply with the requirements established in internal and corporate policies or whether non-compliance would generate additional risk exposure beyond that inherent to the operation itself.

The Bank's commercial interests must not, under any circumstances, interfere with the effective performance of the responsibilities described above. Therefore, Banco Popular must ensure independence to avoid potential conflicts of interest.
In the event of any conflict, the guidelines established in the Code of Ethics and Conduct must be followed to ensure that bribery and corruption matters receive objective consideration at the highest level.

The Compliance Management Department and/or the ABAC and Compliance Methodologies Department are responsible for reporting directly to the ABAC Officer, who, in turn, reports directly to the Board of Directors and/or the Ethics and Conduct Committee, as applicable. It must also be assigned responsibility for monitoring and reporting red flags and/or transactions that exhibit indicators of bribery and corruption. Likewise, it must have sufficient resources to effectively perform its functions and play a central and proactive role in monitoring compliance with this Policy. To that end, it must be fully familiar with current policies, applicable legal and regulatory requirements, and the risks arising from the business.

Banco Popular and its subordinate entities are responsible, through their second line of defense, for developing and implementing a communications plan for all employees to communicate the most relevant aspects of the Anti-Bribery and Anti-Corruption Risk Management System and its related policies and procedures.

This may be carried out with the support of the administrative, human resources, and communications areas, or equivalent functions.

6.3.3 THIRD LINE

The third line plays a key role by independently evaluating the management and controls related to internal fraud, bribery, and/or corruption risk, as well as the entity's processes and systems, reporting to the Audit Committee or a similar oversight body through periodic assessments of the effectiveness of compliance with related policies and processes. The Internal Audit function responsible for conducting these reviews must be competent and properly trained and must not participate in the development, implementation, or operation of the risk/control structure.
Such reviews may be performed by the audit function or by personnel independent of the process or system under review and may also involve appropriately qualified external parties.

7. ROLES AND RESPONSIBILITIES

7.1 ENTITY RESPONSIBILITIES

- Participate in the process of identifying and assessing internal fraud, bribery, and/or corruption risks; define and update the corporate guidelines used to identify, assess, and mitigate these risks with the support of the risk areas.

- Conduct ongoing monitoring of business relationships and transactions that present a higher risk of exposure to potential improper practices, as this is an essential aspect of sound and effective risk management. The scope of such monitoring must be based on the risk identified through the assessment performed by the entity. Enhanced monitoring must be applied to higher-risk clients, third-party intermediaries, and/or transactions, and cross-functional oversight of products or services must be maintained to identify and mitigate risk patterns.

- Establish a strategy to detect red flags that may indicate internal fraud, bribery, and/or corruption. When designing scenarios to identify such red flags, the entity must consider the enterprise-wide risk assessment, information gathered through customer, employee, third-party, and intermediary due diligence activities, among other factors.

- Use customer, employee, third-party, and intermediary due diligence information to identify transactions that lack an apparent economic rationale, involve significant cash deposits, or are inconsistent with normal and expected transactions, especially when such transactions occur systematically over an extended period.

- Apply robust due diligence policies and processes for transactions involving customers and suppliers identified as having greater exposure to improper practices.

- Promote an anti-corruption, anti-internal fraud, and anti-bribery culture and ethical conduct; communicate the importance of and responsibility for all employees in the prevention and reporting of internal fraud, bribery, and/or corruption events; and ensure that the necessary resources are available to achieve compliance with the objectives of the Anti-Bribery and Anti-Corruption Risk Management System, as well as the adoption of international best practices and corporate guidelines.

- Develop and implement, through the second line of defense, a communications and training plan for all employees to communicate the most relevant aspects of the ABAC Policy, instructions, and manuals.

- Ensure the availability of information management systems proportionate to the entity’s size, organizational structure, and complexity, based on materiality and risk criteria, that provide business units (for example, commercial managers) and risk and compliance officers (including investigation personnel) with timely information necessary to identify, analyze, and effectively monitor any indications of bribery and/or corruption.

- Strive to refrain from conducting business with individuals or legal entities whose ethical conduct is or has been questioned, as association with such parties may adversely affect the entity’s reputation in the marketplace, exposing its brand and assets to risk.

- Periodically submit the required reports in accordance with the scope and frequency established in corporate instructions or guidelines.

- Assign the necessary personnel to ensure the implementation and continuous improvement of the Compliance, Criminal, and Ethical Management System, in accordance with the defined competencies and ensuring responsibilities are aligned with the appropriate level of leadership and decision-making authority.

- Report the results of the risk profile to the Board of Directors.

- Maintain the ABAC Policy and procedures aligned with the guidelines issued by Grupo Aval and duly approved by the Board of Directors.

7.1.1 BOARD OF DIRECTORS

The Board of Directors shall have the following responsibilities:

- Clearly understand the risks of bribery, corruption, and/or internal fraud. Information regarding the assessment of these risks must be presented to the Board of Directors at least once a year in a timely, complete, understandable, and accurate manner.

- Receive periodic reports regarding relevant cases of bribery, corruption, and/or internal fraud that have been identified, as well as the investigative measures undertaken and the conclusions reached.

- Remain informed of the measures taken in cases where Management has confirmed incidents of bribery, corruption, and/or internal fraud.

- Provide the technical and human resources necessary to implement and maintain the operation of the Anti-Bribery and Anti-Corruption Risk Management System[4].

- Have the technical competencies required to ensure the effective management of policies and processes, taking into account the entity's governance structure.

- Remain informed of the measures taken by Management in response to confirmed cases of internal fraud, bribery, and/or corruption.

[4] ISO 37001 International Standard – Anti-Bribery Management Systems, Clause 5.1 "Leadership and Commitment", subclause 5.1.2 "Top Management" of the international standard.

7.1.2 ETHICS AND CONDUCT COMMITTEE

The Ethics and Conduct Committee determines the actions to be taken regarding reported conflicts of interest and the disciplinary sanctions applicable to employee(s) who commit acts of internal fraud, bribery and/or corruption, or who act contrary to the provisions of this Policy and its related policies, in accordance with the results of the investigation and the procedures established within the entities, without prejudice to any legal and civil actions that may arise.

7.1.3 NON-FINANCIAL RISKS COMMITTEE

Comply with the responsibilities set forth in the Non-Financial Risks Committee Charter.

7.1.4 GRUPO AVAL CORPORATE SENIOR VICE PRESIDENCY OF RISK AND COMPLIANCE

As part of the second line of defense, its responsibilities include the following:

- Design and monitor compliance with the Corporate Anti-Bribery and Anti-Corruption Policy. For this purpose, within Grupo Aval it relies on the management of the Corporate Compliance and SOX Management Office (Compliance Officer), as well as the collaboration and coordination of its functional counterparts within the subordinate entities.

- Submit for approval to the Board of Directors and disclose policies that enable the proper management of bribery and corruption risk.

- Design and analyze reporting templates for red flags, indicators, action plans, and conclusions.

- Report the status of bribery and corruption risk management to the Risk Committee and/or Audit Committee on matters considered to be of greater significance.

- Support the first line of defense (process owners) in risk identification and control design.

- Establish guidelines in accordance with the best practices defined by the Risk Committee and/or Audit Committee.

- Submit risk assessment information to the Board of Directors, Risk Committee and/or Audit Committee in a timely, complete, understandable, and accurate manner.

7.1.5 ANTI-BRIBERY AND ANTI-CORRUPTION RISK MANAGEMENT SYSTEM OFFICER

The ABAC Officer (primary or alternate) is responsible for the Anti-Bribery and Anti-Corruption Risk Management System and is part of the Second Line of Defense to perform the role independently and diligently. This individual is an employee who reports directly to Senior Management and is appointed by the Presidency of Banco Popular, ensuring that they have the "appropriate decision-making authority" required by the System. The main responsibilities to be carried out by the ABAC Officer, together with the designated team, are listed below:

- Implement the ABAC Risk Management System, ensuring compliance with this Policy within the framework of ISO 37001, ISO 37301, and NTC 6671 standards.

- Require and oversee the implementation of sufficient and reasonable measures to ensure compliance with this Policy, safeguarding integrity and transparency in the processes and operations carried out by the Bank in its relationships with business partners, in accordance with the values of respect, responsibility, commitment, loyalty, and honesty set forth in the Code of Ethics and Conduct.

- Analyze and monitor the Bank's operations, ensuring the application of the entity's ABAC Risk Management System.

- Submit management reports to Grupo Aval's Corporate Senior Vice Presidency of Risk and Compliance at the frequency established by such office.

- Adopt and communicate best practices in accordance with Corporate guidelines.

- Conduct bribery and corruption risk assessments together with process owners.

- Submit to the Board of Directors, or the corresponding governing body, requests for the information technology, technological, physical, human, and financial resources necessary to perform their duties[5].

- Monitor the effectiveness of the ABAC Program.

- Develop and implement periodic training plans for all employees and communication plans.

- Support the first line of defense in identifying third-party intermediaries and conducting due diligence processes.

- Develop and implement methodologies to monitor and identify red flags and/or annual transactions within the Anti-Bribery and Anti-Corruption Risk Management System.

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[5] ISO 37001 International Standard – Anti-Bribery Management Systems, Clause 5.1 "Leadership and Commitment", subclause 5.1.2 "Top Management" of the international standard.

- Validate compliance with ABAC requirements for special transactions covered by the System and issue a no-objection opinion when applicable.

- Establish mechanisms to ensure that, at a minimum, ABAC-relevant employees and employees with high exposure to corruption risk due to their functions annually certify compliance with this Policy and the training plans. This does not imply that such individuals have violated or are suspected of violating this Policy or any anti-bribery and anti-corruption law; rather, it demonstrates that the entity is making all reasonable efforts to ensure compliance with ABAC compliance obligations.

- Submit the required reports periodically, in accordance with the scope and frequency established in Corporate instructions or guidelines.

- Report to the Audit Committee, or the equivalent committee within the entities, at least semiannually on the results of the Anti-Bribery and Anti-Corruption System risk profile.

- Keep the anti-bribery and anti-corruption policy and procedures aligned with the guidelines issued by Grupo Aval and duly approved by the Board of Directors.

7.1.6 ABAC CORPORATE COMMITTEE

The ABAC Corporate Committee comprises the ABAC Compliance Officers of Grupo Aval's direct subordinate entities, and its objectives are:

- Define and evaluate methodological aspects related to the strengthening of the Program.

- Analyze special situations (e.g., opportunities for improvement) and define their treatment to ensure compliance with the Corporate Policy.

- Submit proposals to strengthen the policies, formats, and methodology related to the Program and implement best practices.

7.1.7 AUDIT COMMITTEE

- Verify the existence of policies and procedures that establish the guidelines of the anti-bribery and anti-corruption program, duly approved and implemented.

- Verify the design and effectiveness of the controls detailed in the risk/control matrix, in accordance with its autonomously defined operating plan.

- Report its findings both to the process owners for remediation purposes and to the System Officer and the Board of Directors / Audit Committee.

- Inform the Audit Committee of the treatment given to bribery and corruption events reported through the Ethics Line.

8. GENERAL DIRECTIVES AND GUIDELINES

8.1 CODE OF ETHICS AND CONDUCT

Banco Popular and its subordinate entities have a **Code of Ethics and Conduct** which establishes the general behavioral guidelines that employees and officers must observe, so that their actions align with corporate values, the obligations assumed by virtue of the employment relationship, and the ethical principles essential to ensuring transparency in internal relationships and in relationships with business partners. The Code of Ethics and Conduct is communicated and made available to all employees and officers.

8.2 ANTI-RETALIATION AND PRESUMPTION OF GOOD FAITH

Banco Popular and its subordinate entities strive to protect any employee, officer, or third party who reports an event or potential event of internal fraud, bribery, and/or corruption, provides information in good faith regarding unethical conduct, or cooperates with a duly authorized investigation.

If retaliation occurs, it would constitute a violation of the fundamental obligation of all employees of Banco Popular and its subordinate entities to act with the highest degree of effectiveness, competence, and integrity, as well as to perform their duties and conduct themselves in the manner most favorable to the interests of the Company.

It shall be sufficient for employees to act in good faith and have reasonable grounds to believe that a potential event of internal fraud, bribery, and/or corruption has occurred, or that there has been a potential violation of the ethical policies of each entity. Depending on the circumstances and to the extent possible, efforts should be made to provide evidence or precise information supporting the conclusion that unethical conduct, or an act of internal fraud, bribery, and/or corruption exists.

Individuals who believe they have been subjected to retaliation must report all information and documentation available to them directly to the Ethics and Conduct Committee through the mechanisms defined below.

If retaliation against any individual who has reported an act of bribery and/or corruption or a violation of ethical policies is established, Banco Popular and its subordinate entities, as applicable, must take the appropriate and necessary measures to remedy the negative consequences resulting from such retaliation. Any individual who has engaged in an act of retaliation, when its existence is demonstrated through an investigation, may be subject to administrative or disciplinary measures, without prejudice to any judicial measures that may be applicable.

8.3 TRANSPARENT MANAGEMENT OF RELATIONSHIPS WITH PUBLIC OFFICIALS

If Banco Popular engages with public entities and public officials, at a minimum, the following guidelines must be observed:

- Provide honest and transparent treatment to public officials.
- In the event of involvement in potential employment opportunities with government officials, such situations must be reported to the employee's immediate supervisor whenever conflicts of interest arise.
- All business relationships with government entities must be duly documented, supported, and approved by the employee responsible, clearly defining the guidelines for their management.
- All Bank employees may participate in public or political activities, provided they do so in a personal capacity and do not use the Bank's time, resources, funds, property, brand, or information.

8.4 UNAUTHORIZED PRACTICES

Banco Popular's business ethics are founded on fair competition, including, where appropriate, the offering of benefits linked to the conditions of the products offered, such as interest rates, preferential terms, fee waivers, among others. The offering of other benefits, including reciprocal arrangements, must also receive the express approval of the employee's supervisor.

Any benefit offered to a client, including reciprocal arrangements, must be provided with complete transparency, without engaging in improper, abusive, anti-competitive, or, even more importantly, illegal business practices. To this end, all commercial activities of Banco Popular, and particularly those involving public entities, must adhere to the policies and guidelines that govern our business ethics.

The provision of benefits to clients must be supported and documented through a cost-benefit analysis considering the client's entire portfolio. If the return generated from a client falls below the expected average, the express authorization of the employee's supervisor must be obtained.

Loyalty programs shall not be considered reciprocal arrangements and must comply with the minimum IFRS (International Financial Reporting Standards) requirements for accounting recognition.

Accordingly:

- Banco Popular and its subordinate entities are prohibited from granting assets to clients or suppliers under commodatum agreements (gratuitous loan-for-use arrangements). If, due to exceptional contractual circumstances, it becomes necessary to provide assets under this arrangement, each case, without exception and on an individual basis, must be analyzed in advance by the entity's Risk and Compliance area (or its equivalent), based on robust documentation for each transaction provided by the first line responsible for such transaction. In all cases, assets provided under commodatum agreements must be related to the purpose of the contract that gave rise to the need for such arrangement. In this regard, it should be noted that the analysis conducted by the Risk and Compliance area relates to the risk exposure perspective and does not constitute authorization within the normal transaction approval process as defined by each entity.

- The use of mechanisms such as advertising, payment for events benefiting third parties, commodatum agreements, gifts, invitations, advertising, sponsorships, and/or donations as part of reciprocal arrangements with clients is expressly prohibited.

Banco Popular and its subordinate entities must record in their accounting books all transactions arising from business activities in accordance with the applicable International Accounting Standards.
All accounting transactions entered into with a third party, as well as those arising from sponsorships, facilitation payments, and donations, must be recorded in detail so that they can be easily identified.

Banco Popular and its subordinate entities must maintain internal control measures over the financial reporting process that provide reasonable assurance regarding the reliability of financial reports and the preparation of financial statements for external reporting purposes.

9. DIRECTIVES AND GUIDELINES ON BRIBERY AND CORRUPTION

9.1 CONFLICT OF INTEREST

Banco Popular has established conflict of interest management guidelines to protect the entity and support management, control bodies, and employees in achieving high ethical and trust standards, as well as preventing situations involving conflicts of interest or, where such situations arise, ensuring they are appropriately managed.

Senior Management, management, control bodies, and employees of Banco Popular and its subordinate entities may be exposed to conflict-of-interest situations in which they must make decisions, take or refrain from taking action due to their duties, while facing personal interests in a manner that may affect their objectivity and judgment in the performance of their work.

Banco Popular's business interests must not, under any circumstances, interfere with the effective performance of the responsibilities mentioned above. In the event of any conflict, the guidelines detailed in document A-174-00101 ABAC Procedures Guidelines Annex and in the Code of Ethics and Conduct must be implemented. These documents incorporate the circumstances under which the interests of an employee may conflict with those of Banco Popular and its subordinate entities, as well as the principles and values that must guide the conduct of employees and their family members up to the second degree of consanguinity, second degree of affinity, or first civil degree, or their de facto or de jure partners, to prevent Conflicts of Interest.

Situations involving a Conflict of Interest may not always be evident or easy to resolve. Therefore, Senior Management, management, employees, and the control bodies of Banco Popular must report any situations involving a conflict of interest as soon as they become aware of them and before making any decision, to their immediate supervisor and/or to the Ethics and Conduct Committee (or its equivalent).
The Ethics and Conduct Committee (or its equivalent) is responsible for managing and monitoring reported conflict-of-interest situations, as well as ensuring the confidentiality and security of the information and determining the corrective, preventive, or disciplinary actions applicable to each case.

Additionally, all new employees, upon joining the organization, and certain groups of employees with greater exposure to negotiations with private entities, government entities, and third-party and intermediary parties (TPIs – Third Parties and Intermediaries), annually, must sign a confirmation certifying the absence or existence of a Conflict of Interest.

9.2 BRIBERY

In compliance with anti-bribery and anti-corruption regulations, Banco Popular and its subordinate entities prohibit their employees from making, promising, or authorizing the payment of cash, money, or anything of value to any public or private official or employee, whether domestic or foreign, and, in general, to any person, when the purpose is to improperly influence any act or omission to help Banco Popular and its subordinate entities obtain an improper advantage.

The activities established for compliance with this Policy include, among others, the following:

- Identifying areas and processes in which there is a higher level of risk.
- Identifying third parties who have any relationship with the State or any family, employment, commercial, or other type of connection with the State or its entities.
- Identifying and analyzing the types of transactions that the third party offers or receives.
- Determining red flags.
- Defining the procedures necessary to prevent, detect, and remediate such conduct.

9.3 FACILITATION PAYMENTS

Banco Popular and its subordinate entities prohibit their employees from making or receiving payments to expediting processes and procedures carried out before a third party or on behalf of a third party or intermediary.
To ensure compliance with this Policy, at a minimum, the following activities must be carried out:

- Identify areas susceptible to this risk, including: lending activities (approval, disbursement, and collection processes); deposit-taking activities (product opening processes); procurement and contracting (employees and suppliers); or the critical areas of each company based on its analysis.
- Document the factors or causes considered in the analysis.
- Identify preventive control activities.
- Periodically monitor such activities.
- Report the results to the Risk Vice Presidency.
- Perform detective and corrective testing.

Special attention must be given to the identification, management, and monitoring of Third-Party Intermediaries (TPIs), in accordance with the provisions established in this Policy.

9.4 PREVENTION AND MANAGEMENT OF THE CRIME OF EXTORTION

Extortion is a growing crime associated with criminal behaviors and dynamics that may affect the performance of employees' duties and/or the operations of Banco Popular. Accordingly, it is necessary to establish prevention, mitigation, and control strategies that enable the proper management of this risk if it occurs, focusing on modalities such as protection-racket schemes, extortion threats, forced toll payments, coercive collections, and extortion related to contracting activities and sensitive or commercial information.

Banco Popular and its subordinate entities are committed to compliance with applicable laws and regulations and to respect for legally constituted institutions; therefore:

- They reject and prohibit employees from making extortion payments on behalf of Grupo Aval, Banco Popular, or using their resources, regardless of the amount involved.

- Any act that may constitute extortion against Banco Popular, its subordinate entities, or its employees in the performance of their duties, and of which they become aware, must be reported to the Crisis Committee to implement the established response procedure, notify the competent authorities, and implement any measures deemed necessary.

In all cases, all employees are required to report any situation related to such conduct so that the corresponding entity may undertake the appropriate legal or administrative actions in response to the incident.

10. SPECIAL TRANSACTIONS SUSCEPTIBLE TO ABAC RISK

Under the framework of the Anti-Bribery and Anti-Corruption Risk Management System and the Corporate Anti-Corruption Program, those transactions that, when carried out, may influence the decision-making process of the individuals involved have been identified as special transactions susceptible to ABAC risk, because the recipients of such benefits may feel compelled to favor counterparties or business partners. This may compromise the integrity of the decisions or actions taken, which may violate the Compliance Policy and the Code of Ethics and Conduct.

Under no circumstances shall gifts, invitations, donations, sponsorships, contributions, or Society and Environment Pillar contributions be offered or received for improper purposes.
All gifts, invitations, donations, sponsorships, contributions, or Society and Environment Pillar contributions must:

- Be consistent with the Entity's corporate purpose, business interests or investment priorities, customary business practices, and the laws and regulations applicable to the Group. Under no circumstances may they be excessive according to custom, local standards, and industry practices.
- Be given or received without any expectation of reciprocity, return, or benefit of any kind, except in the case of sponsorships, where advertising benefits are received.
- Comply with the requirements for non-objection, pre-approval, or approval, as defined in the Corporate Anti-Corruption Policy and the Anti-Bribery and Anti-Corruption Risk Management System Policy.
- Be carried out under the highest standards of transparency and for the benefit of society.
- Be properly supported and accurately recorded in the accounting records, with the appropriate level of detail and reflecting the approved transaction.
- Be carried out in compliance with the guidelines established by the Group for special transactions, including approvals, thresholds, forms, among others, as well as any additional controls established by each entity.

Finally, these transactions must not be made in cash or cash equivalents, regardless of the amount involved or the recipient.

The following sections set forth general considerations applicable to each of the special transactions susceptible to ABAC risk. The detailed guidelines, authorized and unauthorized practices, and assurance activities are established in A-174-00101 ABAC Procedures Guidelines Annex.

10.1 GIFTS OR INVITATIONS

In the ordinary course of business relationships, it is common to give and receive gifts or invitations including invitations to meals, travel, entertainment, participation in recreational activities, cultural or sporting events, training activities, among others. However, such practices may be improperly used to obtain favors, advantages, and/or improper benefits. Accordingly, recognizing that this practice is part of the ordinary course of business relationships, Banco Popular has established prior no-objection requirements by the ABAC Compliance Officer and approval levels in accordance with the provisions set forth in A-174-00101 Procedures Guidelines Annex. Likewise, if gifts or invitations received by an employee during a calendar year exceed the limits established in A-174-00101 Procedures Guidelines Annex, the non-objection of the Compliance Officer and the corresponding approval are required.

Finally, employees of the Bank and its subordinate entities are prohibited from giving gifts to public officials, other than promotional items that are representative of the corporate image of the Group or Banco Popular.

The presumption of good faith and ethical conduct of employees is emphasized through their commitment to compliance with the Code of Ethics, as well as through self-monitoring and the disclosure of the information necessary to comply with the restrictions described regarding the receipt of gifts or invitations.

Whenever an employee has questions regarding the receipt or granting of gifts or invitations, the matter must be reported directly to their immediate supervisor, who, in accordance with their authority, must make decisions or obtain a decision from the appropriate authority immediately, considering these guidelines, any additional guidelines established by the entity, and the legislation applicable within its jurisdiction.

10.2 DONATIONS

If Banco Popular and its subordinate entities make donations, in compliance with local and international anti-bribery and anti-corruption regulations, it is prohibited to make or provide any donation to a domestic or foreign public official with the intention of influencing any act or omission for a corrupt purpose to help Banco Popular and its subordinate entities obtain an improper advantage.

Without exception, all donations must obtain the prior non-objection of the Compliance Officer, as well as the approval of the Shareholders' Meeting, the Board of Directors, and the President or General Manager, in compliance with the guidelines established in A-174-00101 ABAC Procedures Guidelines Annex.

10.3 SPONSORSHIPS

If Banco Popular and/or its subordinate entities provide sponsorships, such sponsorships must be supported by documentation demonstrating their alignment with the entity's strategic objectives. Likewise, without exception, all sponsorships must obtain the prior non-objection of the Compliance Officer and, in all cases, must be approved by the Board of Directors and the

President, and must be carried out in strict compliance with the provisions established in A-174-00101 ABAC Procedures Guidelines Annex.

10.4 ENVIRONMENT PILLAR (SOCIETY AND ENVIRONMENT)

One of the pillars of Grupo Aval's sustainability model is the Environment Pillar (Society and Environment). Banco Popular and its subordinate entities may contribute to the development of the Environment Pillar (Society and Environment) through the following initiatives:

- Financial Inclusion: Financial services are provided to the most vulnerable populations, enabling the inclusion and accessibility of communities[6].

- Environmental Management: Promotes eco-efficiency in the use of resources, within Banco Popular and its subordinate entities, and to raise awareness among employees, customers, and other stakeholders.

The areas designated by the Bank that develop initiatives related to this pillar must define and submit for approval by the Board of Directors or the committee designated for that purpose the methodology used for selecting initiatives and must periodically report on the management and progress of these projects.

Considering the impact that these initiatives may have within the Anti-Bribery and Anti-Corruption Risk Management System, if implemented, they must comply with the provisions established in A-174-00101 ABAC Procedures Guidelines Annex.

10.5 PUBLIC OR POLITICAL CONTRIBUTIONS

Under no circumstances is the Corporate Anti-Corruption Policy or the Anti-Bribery and Anti-Corruption Risk Management System of Banco Popular intended to prohibit on the Entity's ability to make public or political contributions. In this regard, it should be noted that the Bank may make public or political contributions subject to the provisions of its respective bylaws and the applicable regulations. Likewise, whenever a public or political contribution is to be made, the ABAC Compliance Officer must be informed in advance so that they may assess compliance with the ABAC guidelines and determine the appropriate actions considering the applicable regulations.

Public and political contributions may be made by the legal representatives or their attorneys-in-fact, subject to the law, the corporate bylaws, and prior approval by the Shareholders' Meeting, since they are the only individuals authorized to make any type of political contribution

[6] Management and Sustainability Report

or support electoral initiatives of any kind on behalf of the Bank, in accordance with the guidelines established in A-174-00101 ABAC Procedures Guidelines Annex.

Without exception, employees are prohibited from making any type of public or political contribution on behalf of Banco Popular, in their own name using Bank resources, or to obtaining benefits for the Bank.

10.6 ACQUISITIONS, MERGERS, INCREASED OWNERSHIP INTERESTS, JOINT VENTURES, ASSOCIATES, AND OTHER INVESTMENTS

Banco Popular and its subordinate entities have established guidelines defining the activities and best practices required to mitigate the risks associated with Acquisitions, Mergers, Increased Ownership Interests, Joint Ventures, and Associates, ensuring compliance with compliance, criminal compliance, and ethical obligations, as well as with the guidelines established under the Anti-Bribery and Anti-Corruption Risk Management System.

If Banco Popular and its subordinate entities carry out processes that may result in the acquisition of equity interests in new entities that grant the right to exercise some form of control, whether through share ownership and/or the appointment of members to the Board of Directors, including all acquisition transactions, significant increases in equity ownership, mergers, and business combinations, the protocol established to mitigate bribery and/or corruption risk, as documented in A-174-00101 ABAC and SARLAFT Procedures Guidelines Annex, must be followed.
For these types of relationships, the due diligence process must include matters related to obtaining an assessment of the entity to be acquired regarding the bribery and corruption risks associated with such entity and its Employees. (Portfolio investments and/or ownership interests that do not grant any form of control or direct influence over the management of the investee entity may be subject to controls limited to the standard ABAC and SARLAFT procedures.)

An acquired company in which an ownership interest greater than 50% is obtained shall have a period of one (1) year, counted from the acquisition date, to align itself with Grupo Aval's corporate ABAC policies.

10.7 HIRING AND PROCUREMENT

Banco Popular and its subordinate entities have established hiring and procurement guidelines that the minimum requirements for entering into a contract or service order with a third party or intermediary are detailed, including legal, ethical suitability, and quality conditions, in accordance with the internal procurement policies.

In all cases, to mitigate the risks posed by third parties regarding bribery and/or corruption, Banco Popular must, when the third party risk analysis results in its classification as a high-risk Third-Party Intermediary (TPI), incorporate into contracts certain clauses containing at least one or more of the following aspects: anti-bribery and anti-corruption commitment, audit clause, right to unilaterally and immediately terminate the contract, and any other clause that helps ensure that third parties comply with anti-bribery and anti-corruption standards directly and through any subcontracted third parties engaged to perform the purpose of the contract.

These guidelines are designed to ensure that all transactions and contractual conditions established between Banco Popular and its third-party intermediaries are carried out in compliance with the applicable legal provisions and regulations and, likewise, that contractual terms specifically detail the services to be provided.

For this purpose, the area responsible for the contract, with the support of the area responsible for the ABAC Program, must ensure that those third-party intermediaries considered high risk are identified to process with the Legal Department, the inclusion of such clauses, and with the ABAC and Compliance Methodologies Directorate, obtain the no-objection opinion from the ABAC Officer and from the Collegiate Group designated for such purpose.
Notwithstanding the foregoing, for lease agreements involving offices, properties for ATMs, and administrative facilities, the inclusion of such clauses is not mandatory, provided that the third party has undergone the corresponding due diligence, qualification, and evaluation process.

All special transactions detailed in this section, and any others that fall within the scope of the Anti-Bribery and Anti-Corruption Risk Management System, must comply with the guidelines established in A-174-00101 ABAC Procedures Guidelines Annex, which details the requirements, approval levels, whether prior no-objection from the ABAC Compliance Officer is required, prohibitions, among other matters.

11. RESPONSES TO BRIBERY AND/OR CORRUPTION

11.1 REPORTING OF EVENTS

Banco Popular and its subordinate entities recognize the importance of reporting identified incidents. An unreported event may entail a cost even greater than the event itself. Banco Popular and its subordinate entities have implemented mechanisms through which their employees may report acts of bribery and/or corruption. These mechanisms include the Ethics Line, email, the website, and/or any other means for reporting bribery and/or corruption events.

Through the established mechanisms, any employee has the right to report an act of bribery and/or corruption or unethical conduct anonymously and confidentially. The identity of the whistleblower, if established, together with the information and evidence provided in the report, shall be kept confidential.

11.2 BANCO POPULAR ETHICS LINE

Banco Popular has a communication channel through which employees may freely and voluntarily report any potential act of bribery and/or corruption. The Banco Popular Ethics Line is available to employees through the Banco Popular and subordinate entities intranet.
This channel is also available on Banco Popular's website for suppliers, contractors, and other stakeholders, to promoting compliance with the highest ethical standards, as well as preventing potential acts of bribery and/or corruption, improper practices, and irregular situations that could affect the Bank and the economic agents that interact with it.

Reports received through the Ethics Line shall be handled in accordance with the provisions established in the Code of Ethics and Conduct and the Ethics and Conduct Committee Charter.

11.3 CONDUCT THAT MUST BE REPORTED

Any conduct that jeopardizes the integrity and interests of the Group, the Bank, and its subordinate entities must be reported immediately, to promote transparency and ensuring the timely identification of any potential act of bribery and/or corruption, whether in the public or private sector.

11.4 INVESTIGATION PROCESS

Investigation mechanisms are intended to perform the actions necessary to clarify potential events of bribery, corruption, and/or internal fraud. Banco Popular and its subordinate entities are committed to investigating objectively and thoroughly all bribery and/or corruption events reported through the various reporting mechanisms established.
The investigation process is the responsibility of Internal Audit, and may be conducted jointly with an independent third party or by the person designated internally, when determined based on the criticality of the matter, the circumstances, the personnel involved, among other factors.

Investigations are confidential until, as a result of such investigations, their disclosure, reporting, and handling before the appropriate internal and/or external bodies are determined. Employees participating in the investigation process are obligated to maintain all information strictly confidential.

Evidence obtained as a result of the investigation process shall be retained as supporting documentation for the investigation and for any actions to be taken based on the decisions established by the Ethics and Conduct Committee.

The Ethics and Conduct Committee recommends the disciplinary sanctions applicable to the employee or employees who commit acts of bribery and/or corruption or act contrary to the provisions of this Policy and its related policies. Sanctions are determined based on the results of the investigation. The application of sanctions shall be carried out in accordance with the procedures established in the Internal Work Regulations and/or applicable regulations, without prejudice to any legal or civil actions that may arise; refer to the section on sanctions.

Banco Popular and its subordinate entities shall report, when appropriate, any bribery and/or corruption event to the competent authorities and initiate and support any judicial actions deemed necessary.

11.5 ACTIONS TO BE TAKEN UPON IDENTIFICATION OF SITUATIONS

Banco Popular and its subordinate entities shall carry out the following actions, subject to prior analysis of each case and in accordance with the provisions established by the Ethics and Conduct Committee:

- Report the situation to the relevant regulator on its own initiative during the stages of the investigation process.
- Share the results of internal investigations and provide the corresponding updates whenever new information arises.
- Provide summaries of witness interviews and voluntarily make such witnesses available to be interviewed by the regulator.
- Take legal, disciplinary, and administrative measures against individuals found responsible for violations and non-compliance with policies.
- Strengthen the policies and procedures of the Anti-Bribery and Anti-Corruption Risk Management System, as well as training processes.

12. REPORTING

To facilitate compliance monitoring, each of the Instructions corresponding to specific Anti-Bribery and Anti-Corruption matters includes a series of reports addressed to Grupo Aval. Such documents specify the format to be used, the information to be reported, the reporting cut-off date, and the reporting frequency.

13. RISK ASSESSMENT

Banco Popular and its subordinate entities must maintain a process to identify, assess, document, manage, and mitigate the risks of internal fraud, bribery, and/or corruption. This process shall be conducted at least semiannually or whenever special circumstances arise, such as changes in market conditions, the launch of a new product or service, or the occurrence of a corporate restructuring.

The activities included in the bribery and corruption risk assessment process of Banco Popular and its subordinate entities include:

- Identification of risks by process or business unit.
- Assessment of the likelihood and significance of each bribery, corruption, and/or internal fraud risk identified within the organization.

• Documentation of risks by the different areas or business units.
• Communication of risk matrices and their corresponding assessments to the employees responsible for them.
• The Risk areas of Banco Popular and its subordinate entities are responsible for ensuring compliance with the process of identifying, assessing, documenting, and managing internal fraud, bribery, and/or corruption risks.

The activities described above shall be documented as evidence of the periodic and systematic risk assessment conducted by Banco Popular and its subordinate entities. Responsibility for the risk assessment process rests with each Risk Management area of Banco Popular and its subordinate entities.
The initial framework for identifying these risks is the generic risk inventory issued by Grupo Aval.

Banco Popular and its subordinate entities shall maintain documented information demonstrating that the bribery and corruption risk assessment has been conducted and used to implement the ABAC Risk Management System.

14. CONTROL ACTIVITIES

Banco Popular and its subordinate entities must establish, for each of the risks identified during the assessment process, control activities aimed at identifying, preventing, and mitigating bribery and corruption events that may affect Banco Popular and its subordinate entities. Control activities may be preventive or detective, manual or automated, and include a wide range of activities, including approvals, authorizations, segregation of duties, verifications, reconciliations, performance reviews, user profiles and access controls, physical controls, among others.

Process owners must appropriately document, for each of the defined processes or business units, the various control activities. This supports that each risk identified during the assessment process is properly managed. Such documentation is maintained through risk and control matrices.

Banco Popular and its subordinate entities have identified the following transactions and accounting accounts, although these are not the only ones, as requiring special attention and analysis. Each Entity defines the transactions and accounting accounts that must be analyzed.

Transaction	Accounting Account
Purchases and procurement	Suppliers and miscellaneous
Reimbursements, cash counts	Petty cash
Expense settlement	Public relations expenses, per diems, travel, hospitality, gifts
Commercial management	Commissions

Transaction	Accounting Account
Mergers or acquisitions	Various
Donations	Donations
Sponsorships	Sponsorships
Use of corporate credit cards	Various

The control activities designed to mitigate bribery and corruption risks are evaluated in terms of their design and their operating effectiveness, in accordance with the methodology established by Banco Popular and its subordinate entities.

Among other control activities, the following shall be carried out:

• Continuously monitor transactions related to payments that may be classified as high risk, including cash payments; payments made to tax havens; payments divided into amounts below authorization thresholds; alternative payments; and payments lacking the required supporting documentation.

• Maintain a log of invitations, hospitality, and gifts provided to public officials, detailing the amount of the expense, the authorization obtained, the context of the meeting or invitation, and its purpose.

15. INFORMATION AND CHANGE MANAGEMENT

15.1 INFORMATION REPOSITORY

Banco Popular and its subordinate entities must maintain an information repository that supports the elements of the ABAC Program, as well as tools that enable the management of identified risks and implemented controls, in addition to maintaining statistical records of all reported and managed bribery and/or corruption events. This supports the availability, timeliness, and reliability of information related to managed bribery and/or corruption events.

15.2 CHANGE MANAGEMENT

The implementation of changes required to ensure compliance with the Anti-Bribery and Anti-Corruption Risk Management System and this Policy shall be carried out in accordance with the provisions established in the Change Management Manual, through the following key activities:

• Change Assessment: Identify how changes to the System arising from international best practices or from the guidelines or instructions issued by the financial conglomerate Grupo Aval in ABAC matters impact the Bank's internal environment (organizational structure, policies, processes, products, services, jurisdictions, and channels, among others).

• Impacted Stakeholders: Identify, through the RACI matrix and/or stakeholder relationship matrix, the process owners and areas affected by the changes to communicate in a timely manner the required measures and/or modifications that must be implemented within the required terms and timelines.

• Communication Plan: Define the content and materials required to communicate the changes through one or more of the following channels: virtual links within the Process Library, where documents subject to redesign, design, improvement, and updating are consolidated; communication mailboxes directed to all Bank employees (such as *Stay Updated*, *Always Connected*, etc.); informational bulletins; communications through the intranet banner; among others.

• Monitoring and Oversight: Conducted through the evaluation of controls and the performance of the system.

16. CULTURE

16.1 COMMUNICATION PLAN

Recognizing that effective communication is a fundamental element for the implementation, internalization, maintenance, and sustainability of an ABAC Program, Banco Popular and its subordinate entities must develop an annual communications plan that promotes and reinforces the anti-bribery and anti-corruption culture, while raising awareness among employees of the importance of preventing, reporting, and detecting bribery and corruption. The communications plan must include internal campaigns, support materials, written communications, emails, among others, highlighting the most relevant aspects of the ABAC Management System, its policy, related guidelines, the importance of internal control, and compliance with compliance, criminal compliance, and ethical obligations in this area.

16.2 TRAINING AND AWARENESS

As part of the onboarding process for new employees and at least annually thereafter, training and/or updates must be provided on the ABAC Policy, Colombian criminal regulations, and the FCPA (Foreign Corrupt Practices Act), covering, for example:

- Banco Popular's and its subordinate entities' commitment to the prevention of bribery and corruption.
- The benefits of an ABAC Program.
- Events or conduct that may constitute corruption and that must be reported.
- The mechanisms through which a report may be submitted and the guarantee of anonymity.
- The consequences of committing acts of bribery and corruption, illegal acts, or unethical conduct, and the disciplinary sanctions associated with such conduct.

Training and awareness activities may be provided continuously, either virtually or in person, and selectively to employees of Banco Popular and its subordinate entities, to strengthening concepts and ensuring the continuity and sustainability of the ABAC Program.

Likewise, ongoing campaigns must be conducted regarding the importance of identifying potential conflicts of interest between employees and public officials.

16.3 CERTIFICATION

As with training, employees must periodically certify their compliance with this Policy. Therefore, when employees are requested in the future to certify compliance with this Policy, this does not mean that they have violated it or are suspected of having violated it; rather, it should be understood that the Entity is making all reasonable efforts to ensure compliance with anti-bribery and anti-corruption laws, policies, and guidelines.

17. CONTINUOUS IMPROVEMENT

The Bank recognizes that a key success factor in the continuous improvement of the Anti-Bribery and Anti-Corruption Risk Management System is the identification of deviations in its performance and the collection of feedback regarding the system's performance through the following mechanisms:

- Results of control effectiveness assessments.
- Results of evaluations of the system's effectiveness indicators.
- Results of the system's internal audit.
- Results of the Internal Comptroller's evaluation of the system.
- Results of employee monitoring activities.
- Reports submitted through the Ethics Line.
- Periodic sessions with Regional Managers.
- Risk occurrence reports recorded in the Monitor Plus ORM tool.
- Training and awareness sessions.

Opportunities for improvement and their respective impacts are evaluated and incorporated into policies and processes, as applicable, in coordination with process owners and are communicated in accordance with the change management methodology and the disclosure process established by the Bank.

18. SYSTEM PERFORMANCE EVALUATION

The performance and effectiveness of the Anti-Bribery and Anti-Corruption Risk Management System are evaluated through ABAC primary and secondary indicators designed to monitor and track the system's performance over a defined period.

The indicators are documented in the Risk Appetite Framework and the Risk Management Framework and are reported, at the established frequency, to the Non-Financial Risks Committee and the Board of Directors. These bodies review the results presented and, where necessary, require the implementation of corrective actions.

To evaluate the specific performance of the areas involved in the implementation of the Anti-Bribery and Anti-Corruption Risk Management System, SIAR indicators are measured. These indicators are formalized in the Risk Appetite Statement (RAS), approved by the Non-Financial Risks Committee and communicated to Senior Management for any decisions it deems appropriate.

19. INTERNAL AUDIT OF THE SYSTEM

Banco Popular, through the Compliance Management Department of the Risk Vice Presidency, has designated a specific internal audit function for compliance with the ISO 37001 Anti-Bribery Management System standard, to be conducted annually, following the audit framework established under ISO 19011.

20. SANCTIONS

Banco Popular and its subordinate entities recognize that, in the event of non-compliance with the Anti-Bribery and Anti-Corruption Management System, this Policy, and any activities arising therefrom, the entities and individuals responsible for its implementation and compliance shall be subject to the disciplinary, administrative, tax, criminal, and monetary sanctions established under local and international laws.

Banco Popular has the authority to initiate criminal or civil actions in cases it considers appropriate, in accordance with the Internal Work Regulations.

Likewise, the Anti-Bribery Law provides that any legal entity acting as a parent company, pursuant to Colombian corporate regulations, shall be investigated and sanctioned when its subsidiaries engage in transnational bribery conduct with the consent or tolerance of the controlling entity.

21. APPENDICES TO THE ABAC POLICY

In addition to the provisions described in this document, the following appendices have been created:

A-174-00106 Management of Critical Positions Sensitive to Internal Fraud Risk, which establishes the guidelines applicable to each of the respective areas mentioned, to strengthen the ABAC risk prevention system within Banco Popular.

A-174-00108 Ethics and Conduct Committee Regulations, which establishes the framework governing the operation of the committee that serves as the highest authority for addressing matters that deviate from the ethical conduct promoted by the Bank.

A-174-00109 Code of Ethics and Conduct, which constitutes a set of rules defining the standards of conduct expected by Banco Popular and guiding the actions of all individuals subject to the Code in their dealings with financial consumers.

22. CHANGE LOG

Version	Publication Date	Description of Change
5	18/07/2024	The content of the Policy is updated to reflect the best practices currently implemented at the entity, which reflect the Bank's operational reality. Likewise, the role of the ABAC Officer is specified along with the responsibilities and powers pertaining to that role.
6	1/08/2024	The content of the Policy is updated with the inclusion of section 17, which refers to Appendices A-174-00107 Ethical Compliance and A-174-00106 Management of Critical Positions Sensitive to Internal Fraud Risk.
7	4/09/2024	The content of the Policy is updated with the inclusion in section 17 of Appendices A-174-00108 Ethics and Conduct Committee Regulations and A-174-00109 Code of Ethics and Conduct.
8	11/10/2024	The regulatory updates required by the ABAC Risk Management System are carried out, complying with the provisions of standard ISO 37001:2016 Anti-Bribery Management Systems. The reference to appendix A-174-00107 Ethical Compliance is annulled.
9	31/03/2026	The code of Appendix A-174-00101, Procedure Guidelines, is included in the policy to facilitate identification of the appendix being referenced.