SUSTAINABILITY POLICY
BANCO POPULAR

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1. GENERAL CONSIDERATIONS

At Banco Popular S.A. (the "Bank"), we firmly believe that corporate value is strengthened when economic development, social well-being, and the transition toward environmental balance are integrated.

Accordingly, we are committed to integrating sustainability as a strategic pillar that drives profitability, strengthens stakeholder trust, guides every decision, investment, and relationship we establish, and contributes to the progress of present and future generations.

The Bank adopts responsible business best practices, using internationally recognized frameworks and standards as references, and aligns its strategies with the United Nations Sustainable Development Goals (SDGs) and the commitments established under the Paris Agreement.

This commitment is reflected in the comprehensive management of ESG (Environmental, Social, and Governance) factors, aimed at generating value across three key dimensions:

- Economic Value: We promote sustainable profitability through the identification of risks and opportunities that benefit our shareholders, investors, stakeholders, and society, from a medium- and long-term perspective.
- Social Value: We foster inclusive development by promoting well-being among our customers, employees, suppliers, communities, and society in general through initiatives that strengthen the social fabric and promote equity.
- Environmental Value: We act responsibly and with conviction to mitigate our environmental impacts and protect and preserve the environment. We promote the sustainable use of natural resources by implementing mitigation and adaptation measures to address the effects of climate change.

2. SCOPE

This Policy applies to Banco Popular and establishes guidelines that extend to suppliers, customers, strategic partners, and other stakeholders, in accordance with the applicable regulations.

This Policy is approved by the Board of Directors, and its implementation is the responsibility of Senior Management. It serves as an institutional framework that guides decision-making, strategic planning, and the comprehensive management of sustainability across all areas of the Bank.

3. GUIDELINES

Economic and Corporate Governance Dimension

- Integrate ESG matters into the business strategy, decision-making processes, and management across the different areas of the organization. To this end, double materiality matters shall be identified, key stakeholders shall be defined, and the United Nations Sustainable Development Goals shall be prioritized.

- Apply the principle of double materiality to determine both the impact of environmental, social, and governance factors on the Bank's financial performance and the effects of its operations on the environment and society. This analysis shall be updated periodically, at least every two years, with annual reviews that allow changes in regulatory requirements, strategy, or stakeholder expectations to be incorporated.

- Establish a corporate governance model that ensures integration and cross-functional deployment of sustainability matters throughout the organization. The Board of Directors, with the support of the Corporate Governance and Sustainability Committee, shall be responsible for periodically overseeing the progress and management of these matters.

- Define short- and medium-term goals and objectives for ESG matters, seeking sustained economic growth for the Bank over time while considering the impacts, risks, and opportunities arising from social, environmental, and corporate governance matters.

- Strengthen transparency, accountability, and stakeholder trust through the disclosure of ESG information based on the national and international frameworks, standards, rankings, and regulatory guidelines adopted by the Bank.

- Participate, when applicable or required, in initiatives that support the assessment of ESG maturity levels or contribute to strengthening ESG management within the organization.

- Conduct a technical evaluation of participation in industry associations or commitments, based on the results of the double materiality assessment, the Bank's strategy and business model, and its regulatory environment, subject to approval by the corresponding governing body. Monitoring and periodic review mechanisms shall be established to assess their continuation, update, or withdrawal, ensuring alignment with the Bank's sustainability strategy, risks, and commitments. Any participation or commitment must be aligned with Grupo Aval's strategic objectives.

- Communicate sustainability actions, projects, and strategies in a clear, transparent, and responsible manner. Information disclosure shall be tailored to different stakeholder groups. All disclosures shall be based on verifiable qualitative and quantitative data and shall avoid claims that could create unfounded perceptions regarding ESG impacts.

- Foster an organizational culture based on ethics, integrity, transparency, and regulatory compliance, reflecting a strong commitment to social and environmental responsibility. This includes strengthening internal training and promoting the participation of key stakeholder groups in these matters.

- Progressively and systematically incorporate the management of social and environmental risks, including climate-related risks, into the Enterprise Risk Management System, considering both risks inherent to the Bank's operations and those arising from the activities of customers and counterparties. This shall be carried out in accordance with the established risk policies, which must be consistent with the Bank's risk profile and risk appetite framework, business plan, business model, strategic planning, and the nature, size, complexity, and diversity of its activities.

- Incorporate ESG criteria into the analysis and decision-making processes related to strategically defined financing and/or investment transactions. These transactions shall include due diligence practices that integrate risk and opportunity assessments for resource allocation. The application of these criteria shall be proportionate to the Bank's size, complexity, and business model, considering its risk appetite toward sectors with higher exposure and prioritizing projects with a sustainable focus.

- Measure, assess, manage, and transparently report progress on sustainability strategies through Grupo Aval's ESG indicator system applicable to the Bank, thereby promoting continuous performance improvement and accountability.

- Promote sustainable finance as a mechanism to support the strategic objectives defined by the Bank, consistent with its size, complexity, business model, and risk appetite. This includes the design and offering of a portfolio of products with a social and/or environmental or climate focus, as well as promoting access to and the strategic use of sustainable funding mechanisms to finance responsible growth and strengthen financial resilience. These actions shall be developed in coordination with the various business areas, contributing to the transition toward a low-carbon economy, the reduction of social gaps, and/or inclusive social development, in alignment with the Bank's strategy, financial sector best practices, and national and international reference frameworks.

- Coordinate the implementation of periodic ESG training programs for the Board of Directors and the various levels of the organization, in order to strengthen informed decision-making aligned with sustainability commitments. Such training shall be regularly updated to respond to evolving regulatory frameworks, international standards, and stakeholder expectations.

Environmental Dimension, Including Climate Change-Related Matters

- Measure and report Scope 1 and Scope 2 greenhouse gas (GHG) emissions annually, using the Greenhouse Gas Protocol (GHG Protocol) and/or best practices as a reference. Likewise, progressively identify, quantify, and manage the most relevant Scope 3 categories in accordance with the Bank's business model and the criteria established by international climate reporting standards.

- Promote comprehensive GHG emissions management by prioritizing the direct reduction of emission sources. In addition, implement carbon capture, removal, and offset initiatives consistent with the annual decarbonization and climate neutrality targets defined institutionally.

- Promote mechanisms that enable the quantification of financed emissions arising from the Bank's lending, investment, and other financial activities, using the *Partnership for Carbon Accounting Financials (PCAF)* and/or industry best practices as a reference. This quantification will enable the identification of the main emitting sectors within the portfolio and the prioritization of mitigation, reduction, or compensation actions to address their environmental impact.

- Develop comprehensive climate strategies that address both climate change mitigation and adaptation, consistent with applicable national regulations and international reference frameworks (*TCFD, SBTi, Paris Agreement*).

- Incorporate environmental and climate-related risks—both physical and transition risks—into the Bank's Enterprise Risk Management System, assessing their potential impact on the loan portfolio, investments, operations, and reputation.

- Promote eco-efficiency and the responsible use of natural resources across all Bank operations by adopting environmental management practices based on ISO 14001 standards and circular economy principles.

Social Dimension

- Promote respect for human rights throughout operations and the value chain through due diligence processes that identify, prevent, mitigate, and, where appropriate, remedy potential adverse impacts, using as references *the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the fundamental conventions of the International Labour Organization (ILO).*

- Ensure safe and healthy working conditions and environments for employees, suppliers, contractors, visitors, and, in general, all individuals conducting activities at the Bank's facilities, in compliance with applicable occupational health and safety regulations.

- Promote the well-being and personal and professional development of employees by fostering a culture that values talent, encourages continuous learning, and strengthens a sense of purpose and belonging.

- Promote equal opportunities at all levels of the organization by fostering an inclusive and equitable work environment free from discrimination, workplace harassment, or sexual harassment.

- Encourage responsible practices throughout the value chain by incorporating sustainability criteria into procurement, supplier selection, and supplier development processes.

- Promote financial education as a tool to strengthen informed and responsible decision-making regarding the use and management of financial resources, while fostering access to knowledge and inclusion among different population groups.

- Promote financial inclusion through strategies that enhance access to, use of, and quality of financial services for traditionally underserved populations, in accordance with the Bank's priorities and approaches. In addition, efforts shall be coordinated to maximize impact as part of Grupo Aval.

- Develop and execute high-impact projects with a social and/or environmental focus that generate tangible benefits for stakeholders and communities or areas of influence, applying monitoring and evaluation tools to measure scope and impact, and promoting, where appropriate, partnerships, support for external initiatives, or funding for proprietary initiatives.

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4. STAKEHOLDER MANAGEMENT

At the Bank, we recognize that ongoing and transparent dialogue with our stakeholders is essential to the sustainable development of the organization. Accordingly, we identify and analyze our key stakeholder groups, promote communication through participation channels and mechanisms, and implement actions that strengthen relationships and enable us to respond effectively to their needs.

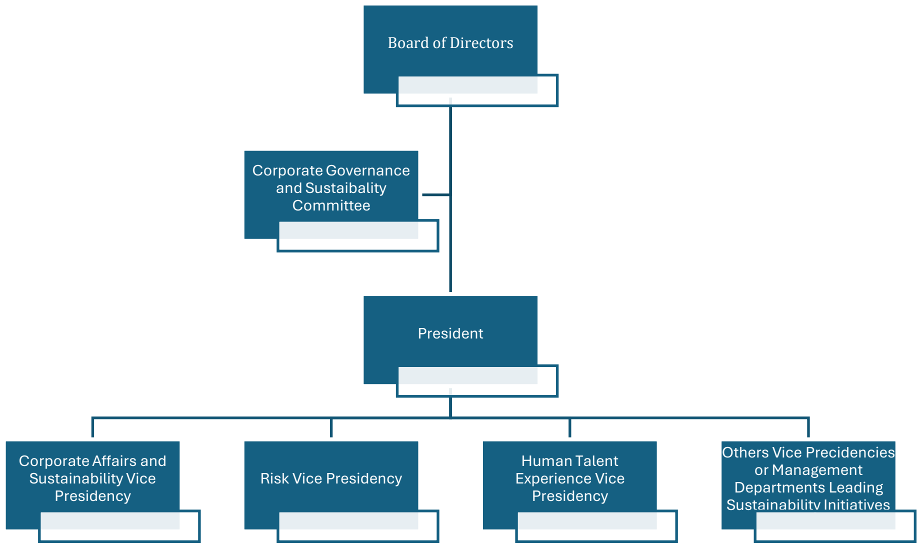
Our main stakeholders are:

- **Shareholders and Investors:** The Bank's shareholders and bondholders.
- **Board of Directors:** The governing body responsible for overseeing and approving policies and strategies, and for monitoring the Bank's management.
- **Subsidiaries:** Entities over which the Bank exercises direct or indirect control.
- **Customers and Users**: Individuals and companies that use our financial products and services, whose interests, needs, and satisfaction guide the design, delivery, and continuous improvement of our offerings.
- **Employees:** The workforce that supports the achievement of organizational objectives and manages projects, including Senior Management.
- **Suppliers:** Companies and individuals that provide goods and services.
- **Government and Regulatory Authorities**: Organizations that issue regulatory requirements and conduct ongoing oversight of the financial and non-financial information of the Holding Company and its subsidiaries.
- **Media and Opinion Leaders:** Traditional and digital media outlets, as well as individuals who publish information about the Bank and its entities and who are relevant to brand and reputation management.
- **Community / Society**: Individuals and communities that may be directly or indirectly impacted by the Bank's actions, decisions, or programs.
- **Associations and Trade Organizations**: Sectoral or professional organizations with which the Bank interacts, participates in joint initiatives, and promotes sustainability standards and best practices within the financial sector.
- **Others:** Stakeholders identified and prioritized by the Bank.

5. SUSTAINABILITY GOVERNANCE

The Bank's sustainability model is designed to ensure decision-making aligned with its strategic objectives, integrating environmental, social, and corporate governance criteria, including those related to climate change, into corporate management.

Banco Popular Governance Bodies



The **Board of Directors** is the highest governing body for environmental, social, and corporate governance matters, including those related to climate change, and is responsible for defining the sustainability strategy and approving corporate policies related to social and environmental matters, including climate change. Its role is to ensure the proper management of these matters and to promote the sustainable development of the organization. For ESG oversight and decision-making, the Board of Directors is supported by the C**orporate Governance and Sustainability Committee**, which reviews the alignment of strategies and policies with the Bank's strategic objectives and best practices.

The **President**, with the support of the **Vice President of Corporate Affairs and Sustainability (CSO)**[1], is responsible for leading the sustainability strategy, reporting progress to the Board of Directors, and integrating these principles into business model decision-making.

The **Vice Presidency of Corporate Affairs and Sustainability** is responsible for implementing the ESG Corporate Policy, integrating initiatives from the various areas to ensure coherent and effective management, monitoring progress against environmental, social, and corporate governance commitments, including those related to climate change and climate matters, proposing guidelines for the implementation of this Policy, consolidating, analyzing, and disclosing sustainability information, and providing timely ESG-related training to different stakeholder groups.

[1] Chief Climate/Sustainability/ESG Officer

The **Risk Vice Presidency** is responsible for ensuring that the Bank appropriately identifies and manages risks and opportunities related to social and environmental matters, including climate change, in accordance with applicable regulations and best practices.

The **Human Talent Experience Vice Presidency** is responsible for leading initiatives related to Diversity, Equity, and Inclusion (DEI), cultural transformation, organizational well-being, and eco-efficiency. This area promotes an organizational culture aligned with ESG principles, implements talent development programs, supports inclusive and sustainable work environments, and contributes to the integration of social and environmental criteria into the Bank's day-to-day operations.

The **Grupo Aval Entities Sustainability Committee** is responsible for coordinating the execution of actions and promoting the adoption of best practices and international standards, as well as providing Grupo Aval's corporate guidelines, with which the sustainability strategy of each financial institution within the conglomerate must align, as applicable. It is also responsible for ensuring that ESG principles are effectively integrated into Grupo Aval's sustainability strategies, thereby strengthening regulatory compliance, risk management, operational efficiency, and innovation.

6. RELATED DOCUMENTS

At the Bank, the following policies, codes, and statements complement the proper management of sustainability:

- Diversity, Equity, and Inclusion Policy.
- Sustainable Procurement Policy.
- Occupational Health and Safety Policy.
- Policy for the Prevention of Discrimination, Violence, and Sexual Harassment.
- Tax Policy.
- Code of Ethics and Conduct.
- Corporate Governance Code.