

RESPONSIBLE INVESTMENT POLICY

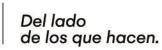
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1. INTRODUCTION

Fiduciaria de Occidente, a subsidiary of Banco de Occidente S.A. (Grupo Aval), is a financial services firm with a presence in Colombia and more than 30 years of experience in the financial sector. Fiduciaria de Occidente is signatory of the UN Principles for Responsible Investment – PRI, developed by investors and for investors since 2021. The aim of these Principles is to contribute to the development of a more sustainable financial system.

Our mission is to make our best efforts and use all of our resources to meet our clients' asset management needs, offering trust and security in our top-quality financial advisory services







and guaranteeing growth and expected profit for our shareholders, as well as our employees wellbeing.

In line with our goal of becoming key participants in the economic and social development of the country through transparent asset management practices for people and institutions so that they can meet their objectives, Fiduciaria de Occidente understands the importance of sustainability as part of building a better future for our clients, employees and stakeholders. As a result of the above and within the framework of several international initiatives that recognize the need to provide a progressive and effective response to the effects of climate change, such as the Paris Agreement and the Agenda for Sustainable Development, Fiduciaria de Occidente believes that incorporating environmental, social and corporate governance criteria in its investment processes is essential to be prepared for the future challenge of standing by our value proposition.

2. DEFINITIONS

Responsible investment:

A strategy that integrates Environmental, Social, and Governance (ESG) considerations into investment decisions and asset management practices. In addition, this strategy is used as a complement for traditional financial analysis and portfolio construction techniques.

ESG Factors:

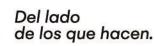
• Environmental Factor (E)

Means incorporating environmental factors into investment decisions. This involves weighting these variables in investment analysis processes, where issuers are part of sectors considered as a threat to environmental sustainability and/or have implemented policies, programs or tools to mitigate greenhouse gas emissions, use water and land in a more sustainable manner, protect biodiversity and manage waste and pollution, among others.

• Social Factor (S)

Incorporating social factors involves determining whether or not issuers have a positive impact on society, includuing in matters of diversity, inclusion, health, community safety, anti-dumping policies, among others.









• Corporate Governance Factor (G)

Incorporating corporate governance factors in investment management involves analyzing variables such as structure and supervisory bodies, the existence of policies or codes to ensure financial stability and transparency and compliance with information disclosure standards.

3. DECLARATIONS

Fiduciaria de Occidente will seek the best possible return for its portfolios under management, while having a positive impact on the sustainable development of all sectors of society.

This Responsible Investment Policy will therefore incorporate three factors:

Environmental Factor

Fiduciaria de Occidente recognizes the impact of investments on the environment and to this end it will assess issuers and their degree of commitment to the following, as appropriate:

- Mitigation and/or adaptation to climate change
- Biodiversity conservation
- Natural resource management and conservation
 - Social Factor

We recognize the importance of the issues that affect our society and will therefore not incorporate issuers with a track record of negative impact on communities in terms of human rights violations, child exploitation, forced labor, discrimination, sexual exploitation and human trafficking, among others.

Governance Factor

We will select issuers and fund managers with the highest standards of corporate governance, investor relations and disclosure, among other key factors.

3.1. Excluded activities

The following issuers shall be excluded from this Responsible Investment Policy:





- Issuers that engage in the production or sale of any goods or services considered illegal under national or international laws or regulations, conventions and agreements to which Colombia is a party or other activities prohibited by our corporate regulations.
- Issuers that engage in deforestation or forest degradation
- Issuers that engage in the production of nuclear, chemical and/or biological weapons or landmines

3.2. Principles of Responsible Investment – PRI

As part of its commitment to responsible investment, Fiduciaria de Occidente became a member of the PRI International Association of Investors. As a result, Fiduciaria de Occidente has entered into the following commitments:

- 1. Fiduciaria de Occidente will incorporate ESG issues into its investment analysis and decision-making processes.
- 2. Fiduciaria de Occidente will be an active shareholder and bondholder and will incorporate ESG issues into investment policies and practices.
- 3. Fiduciaria de Occidente will require appropriate ESG information disclosures from the companies in which it will invest.
- 4. Fiduciaria de Occidente will promote the acceptance and implementation of the Principles in the investment sector.
- 5. Fiduciaria de Occidente will work to improve effectiveness by implementing the Principles.
- 6. Fiduciaria de Occidente will report on activities and progress in the implmentation of the Principles.

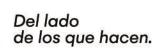
3.3. PRI Assessment

In line with the above, Fiduciaria de Occidente will assess implementation of the investment policy as part of its participation in the PRI (Principles for Responsible Investment) International Association of Investors. We will analyze the results of the annual assessment to close any gaps and continue with the process of implementing the Responsible Investment Policy.

3.4. Scope

The Responsible Investment Policy will apply to the management of Fiduciaria de Occidente's own funds, its Collective Investment Funds and other third-party portfolios, as well as to the selection of strategic partners in the case of Private Equity Funds.









3.5. Active stewardship

Taking into consideration our goal of incorporating environmental, social and governance factors into our day-to-day activities, frameworks for action and the search for material results in society, we undertake to promote best practices in the financial sector. This is done as part of the general guidelines of the Principles of Responsible Investment to which we adhere.

In the event that Fiduciaria de Occidente or the portfolios under management have a majority stake and exercise political rights over another company, as a major shareholder we will act as active shareholders and bondholders and influence the adoption of best corporate practices. In cases where Fiduciaria de Occidente has a minority shareholding, it shall support initiatives to improve these practices. When a specific taxonomy applies, we will seek to ensure that measures are taken by management to be environmentally sustainable.

With respect to our proactive engagement, we will monitor public ESG ratings or scores for equities and fixed-income securities in portfolio construction. In this regard, we will seek to influence issuers in terms of their ESG practices by informing them that their ESG profile has a direct impact on our investment decisions. We will also report on the positive assessment of performance in the country code survey promoted by the national regulatory authority in our asset selection process. Through our actions, we hope to promote better practices and disclosure of ESG issues in the market and ensure that environmental, social and governance issues become public knowledge.

In the event that a relevant ESG event concerning a negative impact on our portfolios is identified, we will proceed to analyze the particular situation and disclose our position to the issuers involved. Fiduciaria de Occidente will participate where appropriate when summoned to decision-making meetings as the holder of equity securities in portfolios under management.

3.6. Incorporation

Fiduciaria de Occidente will identify ESG variables in the universe of assets in which it invests or intends to invest while making investment decisions. By identifying these variables, Fiduciaria de Occidente will integrate them into traditional strategy and risk manegement analysis, as well as in its investment recommendations.

ESG analysis methodologies will be assessed by the Responsible Investment Policy supervisory commitees.







4. GOVERNANCE STRUCTURE

4.1. Approval

The Responsible Investment Policy is approved by the firm's Board of Directors.

4.2. Review

The Board of Directors is responsible for monitoring compliance with the Responsible Investment Policy. Senior management will review compliance levels on an annual basis or whenever substantial changes are being considered.

4.3. Supervisory Bodies

The Responsible Investment Policy will be monitored periodically by the committees appointed to analyze the evolution of investment portfolios.

- Investment Committee: The Investment Committee will incorporate ESG factors in its portfolio construction recommendations for the allocation of assets and assessment of investment strategies.
- Risk Committee. The Risk Committee is responsible for approving the methodologies used to assign investment quotas, which may incorporate one or more ESG variables.

4.4. Departments in charge of implementation

4.4.1. Office of the Vice-President of Investments

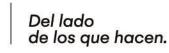
The Office of the Vice-President of Investments will have the following responsibilities:

- $\checkmark\,$ Analyzing ESG factors and integrating the same into its investment decisions and analysis.
- ✓ Maintain the PRI certification.
- \checkmark Ensure compliance with the limits established in the investment policy.
- \checkmark Provide training in responsible investing practice together with HR.
- \checkmark Submit the Responsible Investment Policy to the Board of Directors for approval, along with any updates.

4.4.2. Risk Management

Risk Management will be responsible for:









- ✓ Proposing the methodologies to incorporate ESG factors to the assessment of investment quotas to the Risk Committee for approval.
- \checkmark Submitting investment quotas for approval according to schedule for each investment period.
- ✓ Monitoring compliance with portfolio management limits, policies, and attributions and submitting compliance reports to the Risk Committee and the Board of Directors.

5. METHODOLOGIES

The methodologies used to integrate ESG factors in investment decisions will be defined in the handbooks issued by the Office of the Vice-President of Investments and Risk Management.

6. DISCLOSURE OBLIGATION

Fiduciaria de Occidente will disclose information on the integration of ESG in investment decisions to its stakeholders.





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