CLIMATE CHANGE POLICY

Climate change is considered as one of the biggest challenges of the world, having consequences that go beyond the environmental effects. This has raised the global awareness as, in a relatively short period of time, the dynamic has drastically changed: the media and communities understanding is growing fast and the actions of government and private sector clearly demonstrate that these matters have entered into the politic and economic global spheres.

Bancolombia recognizes that climate change poses new risk and opportunities, with strategic and financial implications for our business and those of our clients and stakeholders. Hence we ratify our commitment to implement mitigation and adaptation actions in order to face the adverse effects of climate change throughout actions that are articulated in our Climate Change Management Strategy.

Objective: To address climate change, from its direct impact on our operation and indirect impact through financing and investment aimed at supporting the productive economic sectors, by identifying in both scenarios the risks and opportunities that might arise at the moment of manage this global problematic with a local impact.

Scope: Our policy covers up all our operation in the countries where we are present, focusing on the more vulnerable to climate change economic sectors; as well as on those that in the development of their activity generate a major impact through the emission of GHG; and on those that might derive bigger opportunities through the implementation of mitigation and adaptation measures.

Procedures for direct impact: understanding this impact as the direct affectation to our operation and the continuity of the business, we commit to the following actions:

Carbon Footprint calculation: we will gauge water, energy, paper, business trips and waste generation consumptions, and with this data we will calculate our carbon footprint; consolidating the information in a group level.

Carbon footprint mitigation: we will have specific goals for diminishing the water, energy, paper, business trips, and dangerous and no dangerous waste generation; as well as our carbon footprint.

Direct carbon footprint compensation: we seek to be a carbon neutral entity in direct emissions, and we will compensate our direct footprint by processes of ecological restoration coordinated with environmental expert organizations.

Climate change risks management: we will carry out analysis in order to identify, measure, monitor and mitigate climate change risks that might affect business continuity, principally those associated to disaster risk given the affectation that our employees and physical installations might suffer.

Procedures for indirect impact: understanding this impact as the affectation of operation and business continuity of our clients and suppliers, which might affect us indirectly through legal, reputational, credit, continuity, among others risks; we commit to the following actions:
Management of indirect Carbon footprint: we will provide to our clients and suppliers the measure, mitigation and compensation of their Carbon footprint; using for this purpose the communication channels established for those stakeholders.

Impact identification throughout our clients and suppliers: we will evaluate the potential climate change risks of our clients and suppliers, either by the affectation of the environment caused by their activities or by the affectation of their operations caused by the environment. We will promote the adoption of measures to either mitigate or adapt to such impact.

Support and promotion to the adaptation and mitigation of climate change: the promotion of social transformation, and the orientation of efforts to face global challenges that generate local impacts are important part of this objective, hence we will work on the following:

Offer of products and services for mitigation and adaptations: we will put our universal bank service portfolio and the market benefits orientated towards climate change that are in our scope, to the service of this strategy, seeking to generate the highest economic, environmental and social value to our clients and other stakeholders.

Promotion to financial sector and stakeholders: we will actively participate in public and private initiatives and in alliances with NGO’s orientated to the adaptation and mitigation of climate change, since the development of strategies by sector is fundamental for the purpose of generating a shared and coordinated management, and a pertinent and opportune information that permits a right decision making to face the effects of this phenomenon.

Responsibilities on the diffusion and implementation of the Climate Change Policy: according to the issues covered in the policy the responsibility will be in the head of the areas of: Administrative Services, Risks, Business Units and Corporate Identity.

Evaluation: the Sustainability Area will periodically, at least annually, revise the results of compliance of the policy.

Divulgation: material progress on this policy is going to be divulged to stakeholders through the official channels disposed for such purpose and will be consolidated in the annual report. Furthermore, Bancolombia will report on the Carbon Disclosure Project (CDP) the strategies regarding the risks and opportunities derived from climate change.