

RESPONSIBLE INVESTMENT POLICY

In BANCOLOMBIA we manage significant financial resources for our own investment portfolio, for third parties through delegated management contracts and through collective investment funds. By our financial activity we can invest directly in companies and other admissible investment vehicles for those portfolios; we also advise our clients in their own investment decisions. The creation of this policy comes because as an organization we are aware that Environmental, Social and Governance variables are fundamental for a successful development of business activities, since they can guarantee a better generation of value for our stakeholders.

Policy Scope

This policy covers all investment activities in Grupo Bancolombia; this includes our investment activities from Bancolombia's Treasury, Bancolombia Asset Management, Bancolombia Investment Banking, Fiduciaria Bancolombia, and Valores Bancolombia. Each of these business units is responsible for implementing the incorporation of ESG criteria in their investment and decision-making processes with the support of the Sustainability Team.

Commitment

As institutional investors, we have a duty to seek the maximum generation of long-term value for our beneficiaries. In this fiduciary function, we believe that environmental, social and governance issues have an impact on the financial performance of investment portfolios (to various degrees depending on companies, sectors, regions, asset class or timing). We also recognize that the application of this policy helps us perform in accordance to broader objectives of society. For this reason, where it is compatible with our fiduciary responsibilities, we commit to develop the following actions, related with the United Nations Principles for Responsible Investment:

1. To incorporate ESG variables (Environmental, Social and Governance) in to our investment analysis and decision-making processes.
2. We will be active owners and integrate ESG variables into or practices and policies.
3. We will seek appropriate ESG issue disclosure of the companies we invest in.
4. We will promote the acceptance of the Principles in the global investment community.
5. We will collaborate to improve our efficacy in the application of the Principles.
6. We will inform about our activities and progress in applying the Principles.

Issuer Engagement

Our approach will be based on the public information that market issuers disclose related to their sustainability strategies, regardless that in some types of businesses direct information may be required from companies on their Environmental, Social, and Governance performance. For this reason we will actively participate in initiatives with relevant participants in the market that direct their efforts to the promotion and implementation of responsible investment. This includes our adhesion to the Principles for Responsible Investment and the following recommendations to issuers:

- The incorporation of sustainability performance in their origination.
- The incorporation of ESG variables in their yearly financial reports.

ESG Issues

ESG performance of issuers will be monitored from the research developed in house from Bancolombia teams and from data provided by specialized suppliers.

This analysis is oriented to identify relevant themes to issuer performance on environmental social or economic aspects, adjusted accordingly to the industries that companies are a part of and the material issues associated with each sector of the economy.

- In the economic aspect we will assess practices associated with: Governance, risk management, compliance, ethics and conduct codes, supply chain management, among others.
- In the environmental aspect we will assess practices associated with: Legal compliance, environmental management systems, Eco-Efficiency, business risks and opportunities, climate change strategy, environmental reporting, among others.
- In the social aspect we will assess practices associated with: Human Rights and labor practices, health and safety, human capital development, talent attraction and retention, corporate citizenship, social inclusion, social reporting, among others.

For the implementation of this policy all related teams in charge will be trained accordingly on the policy itself, we will have the necessary tools available to guarantee the success of implementation, and related stakeholders will be included to identify material issues on this topic.

Our approach to ESG factor incorporation

Negative Screening

Bancolombia will not invest in companies or projects related with the production, commercialization, or the use of the products, substances and activities mentioned in the following exclusion list. This list is available in the Bancolombia Sustainability site. <https://www.grupobancolombia.com/wps/wcm/connect/b8f2d58b-f652-43ce-b519-4f442b2d1a1f/ControversialIssuesPolicy.pdf?MOD=AJPERES&CVID=I3ZaZrk>

Positive Screening

For specific investment strategies, where the approach applies, in BANCOLOMBIA we will apply positive screening for the best ESG performance in investments and the incorporation of sustainability factors in asset analysis, based on specialized research on ESG factors whether created by internal teams or by ESG research providers. This approximation consists on including investments from a pre-defined minimum ESG score or boundary.

ESG Integration

For specific products and investment strategies where the approach applies, in BANCOLOMBIA we will apply ESG full integration strategies where we incorporate ESG performance of issuers in traditional financial analysis to determine a fair value of investments.

Sustainable Investment Products

We will develop, depending on their viability, sustainable investment portfolios, oriented to companies, projects and activities that by their definition promote environmental welfare and social inclusion.

Responsibilities in the implementation of the Responsible Investment Policy

Considering the topics mentioned in this policy, the implementation will be led by the Sustainability Team and each respective business unit.

Assessment: the results of compliance of this policy will be revised periodically, at least annually by the sustainability Team.

Disclosure: significant progress made in the implementation of the policy will be disclosed to stakeholders via official channels established for this purpose and will be consolidated in the yearly report.

JUAN CARLOS MORA

CEO

Grupo Bancolombia

FRANCO ALEXANDER PIZA

Director of Sustainability

Grupo Bancolombia