



Reporting and Self-Assessment Template

Principles for Responsible Banking



Reviewed version (V2) from September 2022



Reporting and Self-Assessment Template

The following template sets out the reporting and self-assessment requirements for Signatories of the Principles for Responsible Banking (PRB). Your bank discloses which actions it has undertaken to implement the PRB by self-assessing its progress on each of the 6 Principles. This template is therefore structured in accordance with the 6 Principles that signatories have committed to.

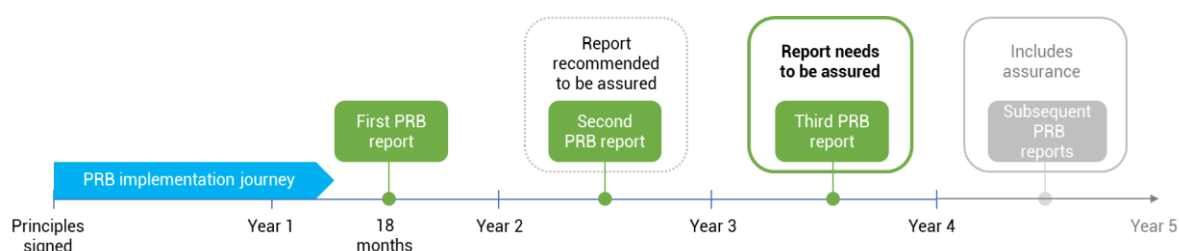
Three [Key Steps](#) are critical to showing that your bank is fulfilling its commitments as a signatory of the PRB, i.e. Impact Analysis, Target Setting & Implementation and Assured Reporting/Accountability. The sections in the Reporting and Self-Assessment Template that relate to the 3 Key Steps also require a self-assessment summary to demonstrate the extent to which the bank has fulfilled the respective requirements of the Key Steps.

Accommodating different starting points

Your bank has an initial four-year period from signing to implement the 6 Principles including to bring its reporting fully in line with the requirements. Your bank may not be able to provide all information required in this template in the first report. You should build on your implementation progress annually. Feedback, support, capacity building, training and peer learning are available to all signatory banks to help them progress with both implementation and reporting.

Timeline for reporting and assurance

Signatory banks need to report on their implementation of the Principles on an annual basis. The first PRB report has to be published within 18 months of signing the Principles, to give the bank some flexibility to align the PRB reporting with its reporting cycle. Publishing the first PRB report at any point earlier than 18 months after signing the Principles is therefore an option. After the first PRB reporting has been published, subsequent reports have to be published annually thereafter, i.e. within 12 months at the latest after the prior report¹.



Assurance

The last report within the initial 4 year implementation period (and subsequent reports thereafter) needs to be assured, which means that at least the third PRB report needs to be assured. Banks are encouraged to put the assurance process in place well before that and have earlier PRB reports already assured.

¹ Early reporting is permitted, although sufficient time to show progress from one year to the other should be taken into account.

All items that relate to the three [Key Steps](#) (highlighted in yellow) require limited assurance by year four of signing the PRB, undertaken by an independent third party with relevant expertise in the field. These are:

- 2.1 Impact Analysis
- 2.2 Target Setting
- 2.3 Target Implementation and Monitoring
- 5.1 Governance Structure for Implementation of the Principles

An assurer provides limited assurance of your self-assessment in these listed areas. You can do this by including it in your existing assured reporting. Where third-party assurance is not feasible, an independent review may be conducted. Assurance requirements are described in more detail in the [Guidance for Assurance providers: Providing limited assurance for reporting](#).

Purpose of the template

The purpose of this template is to assist signatories in disclosing their progress on implementing the PRB. The disclosed information is used by the UNEP FI Secretariat as the basis for the individual review of each bank's progress, as well as for reporting the collective progress made by the PRB Signatory Group. To measure collective progress in a consistent manner, some standardized questions to be completed by the banks are integrated into the template. The open questions give banks the flexibility to disclose the progress they make, considering the diverse business models and various contextual differences in which banks operate.

How to use this template

This template gives banks the chance to provide summaries of the annual progress made in implementing each Principle. It is designed for your bank to provide references/links to where in your existing reporting/public domains (websites) the required information can be found to support your answers. The aim is to keep any additional reporting burden to a minimum while ensuring transparency and accountability as set out in Principle 6. When referring to other documents, please specify the pages where the exact information appears.

The Reporting and Self-Assessment Template shall not be amended structurally and content-wise. The content and text of the template can be applied to corporate layout and designed accordingly, without omitting parts of the texts. The Reporting and Self-Assessment Template can be integrated into your bank's reports (annual report, sustainability report or relevant reporting formats) or can be published as a stand-alone document. It needs to be publicly available and will be listed on the UNEP FI Signatories page.

The reporting needs to be published in English. Information that is referenced to within the Reporting and Self-Assessment Template should also be available in English. Where that is not possible, it is recommended to include the summary of relevant information as text in the Template, so that all necessary information can be taken into account when the UNEP FI Secretariat reviews the bank's performance.

Principle 1: Alignment



We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Business model

Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

Response

Banco de Occidente is a Colombian financial entity belonging to the Aval Acciones y Valores Group, with its main headquarters in the city of Cali and a history of fifty-nine years.

The presence of the Bank in the national territory allows us to currently have a network of more than 175 offices, 18 credit centers and more than 3.093 ATMs in Colombia.

Our strategic plan "Avancemos" 2019-2023 is aligned with the entity's purpose of "Making people's development, business growth, and country transformation a reality"; its focus is to regain the Bank's natural market share and achieve profitability above the main peers in the financial system. To achieve this, the Bank has structured and implemented various initiatives aimed at strengthening our value proposition, increasing the Bank's productivity, making agile and effective decisions, and accelerating our digital transformation. These projects are categorized into three stages of progress or implementation: 1) structuring, 2) execution, and 3) value assurance; likewise, each of these stages establishes monitoring and tracking mechanisms such as time-tables, indicators, and impact measurement.

During 2024, the Bank will begin implementing a new strategic plan for 2024-2026 called "A Otro Nivel" (To Another Level), aiming to lead the Bank to become a leader in the defined core segments, and positively impact society and the environment, ensuring profitability for the Bank and its shareholders, and creating memorable experiences for our clients, employees, and suppliers.

Links and references

[End of year 2023 Periodic Report.pdf](#)

Pgs 20-21

Consolidated Financial Statements Figures		
*Profit from the separated		
Net profit Billions	\$473,5 Consolidated	\$430,6 Separated
Employees	6.984	
Customers	More than 58.000 Companies	More than 950.000 people
Offices	175	
AVAL Network Offices	1.006	
ATMs	267	
AVAL Network ATMs	2.861	
Net Portfolio Billions	\$47.082	
Deposits Billions	\$49.176	
Assets	\$68.602	

Strategy alignment

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

- ☒ Yes
☐ No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

- ☐ UN Guiding Principles on Business and Human Rights
☐ International Labour Organization fundamental conventions
☒ UN Global Compact
☐ UN Declaration on the Rights of Indigenous Peoples
☒ Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: -----
☐ Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: -----
☐ None of the above

Response

Our financial services and products are aimed at individuals and businesses nationwide with the goal of positively impacting our environment, our business model, driving growth opportunities,

Links and references

[End of year 2023
Periodic Report.pdf](#)

creating employment, and contributing to the financing of individuals and companies. We offer various value propositions that meet their needs and expectations, supporting business growth, local development, and the transformation of the country.

The Bank focuses on the following segments:

Corporate Banking: Government, Institutional, Medium Corporate, Business, and SME..

Retail Banking: Elite, Preferred Plus, and Preferred.

We have four subsidiaries:

i Fiduciaria de Occidente S.A., based in Bogota, has national presence in the cities of Cali, Medellin, Barranquilla, Pereira, Monteria, Bucaramanga, Santa Marta, Manizales, and Cartagena.
ii-iii Banco de Occidente (Panama) S.A. and Occidental Bank (Barbados) Ltd., entities that provide offshore banking services from Panama and Barbados.

iv Ventas y Servicios S.A. – NEXA, a BPO company that provides call center services, sales forces, among others.

Our Sustainability Strategy

At Banco de Occidente, we have the firm purpose to contribute to people's development, business growth, and the positive transformation of the country, anchoring our operations in sustainability principles offering innovative financial solutions that support the well-being of our customers and the health of the planet.

We are committed to support inclusive economic growth and work to ensure that our services contribute to sustainable development, extended prosperity, and resource conservation to secure a positive legacy for future generations.

With this vision, we apply principles of responsible business conduct to integrate and address environmental and social issues within our commercial activities, even throughout our entire supply chain.

Our sustainability strategy is based on the principles of the Global Covenant and the Sustainable Development Goals (SDGs) - initiatives of the United Nations – as well as on the adoption of good practices from the Green Protocol of Asobancaria, the Principles of Ecuador, and the Principles for Responsible Investment (PRI).

During 2023, we updated our sustainable vision where we defined clear, measurable, and articulated objectives for our organizational purpose to apply environmental, social, and governance (ESG) criteria with these commitments:

Pg 20

[End of year 2023
Periodic Report.pdf](#)

Pgs 126-127

A. We mitigate climate change and we intend to preserve resources: We implement initiatives aimed at decarbonizing the economy and efficiently managing our resources to make the country's transformation a reality.




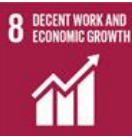
S. We promote the development of our people and society: We generate capabilities, opportunities, and well-being to make the development of individuals a reality.



G. We drive sustainable business growth: We promote responsible, transparent, and cutting-edge practices to make business growth a reality.



Below you can see how our strategy is aligned with the SDGs:

Enviromental	
	13.1 Strengthen resilience and adaptive capacity to climate-related risks and natural disasters in all countries

	<p>13.2 Incorporate measures related to climate change into national policies, strategies and plans</p> <p>13.3 Improve education, awareness and human and institutional capacity regarding climate change mitigation, adaptation, impact reduction and early warning</p>	
	<p>6.4 To 2030, significantly increase the efficient use of water resources in all sectors and ensure the sustainability of freshwater abstraction and supply to address water scarcity and significantly reduce the number of people suffering from lack of water</p> <p>6.6 To 2020, protect and restore water-related ecosystems, including forests, mountains, wetlands, rivers, aquifers and lakes</p>	
	<p>15.4 To 2030, ensure the conservation of mountain ecosystems, including their biological diversity, to improve their capacity to provide essential benefits for sustainable development</p> <p>15.a Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biological diversity and ecosystems</p> <p>15.b Mobilize significant resources from all sources and at all levels to finance sustainable forest management and provide appropriate incentives to developing countries to promote such management, in particular for conservation and reforestation.</p>	
<p>Social</p>		
	<p>8.3 Promote development-oriented policies that support productive activities, the creation of decent jobs, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro, small and medium-sized enterprises, including through access to financial services</p> <p>8.4 Progressively improve, by 2030, the efficient production and consumption of global resources</p>	

	<p>and seek to decouple economic growth from environmental degradation, in line with the Ten-Year Framework of Programs on Sustainable Consumption and Production, starting with countries developed</p> <p>8.5 By 2030, achieve full and productive employment and decent work for all women and men, including young people and people with disabilities, as well as equal pay for work of equal value</p> <p>8.10 Strengthen the capacity of national financial institutions to promote and expand access to banking, financial and insurance services for all</p>	
	<p>10.6 Ensure greater representation and involvement of developing countries in decisions taken by international economic and financial institutions to increase the effectiveness, reliability, accountability and legitimacy of these institutions</p> <p>10.b Promote official development assistance and financial flows, including foreign direct investment, for States with greatest needs, particularly least developed countries, African countries, small island developing States and developing countries landlocked, in line with their national plans and programs.</p>	
Governance		
	<p>9.3 Increase access of small industries and other businesses, particularly in developing countries, to financial services, including affordable credit, and their integration into value chains and markets</p> <p>9.4 To 2030, modernize infrastructure and convert industries to be sustainable, using resources more efficiently and promoting the adoption of clean and environmentally sound technologies and industrial processes, and ensuring that all countries take action in accordance with their respective capabilities</p> <p>9.a Facilitate the development of sustainable and resilient infrastructure in developing countries through increased financial, technological and technical support to African</p>	

	countries, least developed countries, landlocked developing countries and small island developing States	
	<p>17.3 Mobilize additional financial resources from multiple sources for developing countries</p> <p>17.5 Adopt and implement investment promotion systems in favor of least developed countries</p> <p>17.13 Increase global macroeconomic stability, including through policy coordination and coherence</p> <p>17.14 Improve policy coherence for sustainable development</p> <p>17.15 Respect the regulatory margin and leadership of each country to establish and apply poverty eradication and sustainable development policies</p> <p>17.17 Encourage and promote the creation of effective alliances in the public, public-private and civil society spheres, taking advantage of the experience and resource obtaining strategies of the alliances</p>	
	<p>11.6 To 2030, reduce the negative per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management</p> <p>11.c Provide support to least developed countries, including through financial and technical assistance, to build sustainable and resilient buildings using local mat.</p>	

Principle 2: Impact and Target Setting



We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 Impact Analysis (Key Step 1)

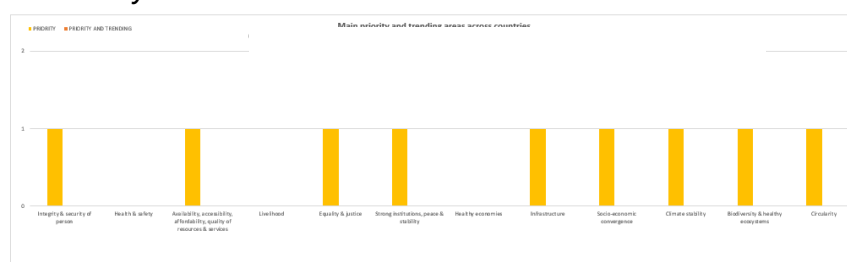
Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly² and fulfil the following requirements/elements (a-d)³:

a) Scope: What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

Response

At Banco de Occidente we have adopted the Portfolio Impact Analysis Tool for Banks provided by UNEP-FI to identify and manage the social and environmental impacts of our operations. This tool allows us to evaluate our investment and loan portfolio and determine the areas where our activities will have greater impacts and significant opportunities.

The analysis of the portfolio using the tool gave us the following significant results taking into account the country context:



These results demonstrate how our Bank plays an important role in the economic and social development of the country, by aligning its strategy with its needs, among them we can find: The availability, accessibility, affordability, and quality of financial resources and services, as well as livelihood support and socio-economic convergence, can contribute significantly to economic growth and stability.

Furthermore, it is interesting to note that, although indirectly, the actions we generate can have an impact on the biodiversity and health of ecosystems, which is why the entity already works on these impacts through financing, investment or operational practices that may affect natural resources and the environment.

Links
and
refer
ence
s

² That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

³ Further guidance can be found in the [Interactive Guidance on impact analysis and target setting](#).

b) Portfolio composition: Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope

- i) by sectors & industries⁴ for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or
- ii) by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.

Response

The analysis input was the composition of the entity's 2023 Portfolio in Colombia:

As of December 2023, the total loan portfolio of the Bank amounts to COP46,21B and is distributed as follows: 67,70% in Commercial loans, 26,70 % in Consumer loans, and 5,60 % in Mortgage loans. Overall, the Bank serves clients from all economic activities, which are grouped into 18 economic sectors. The most representative sectors are: Manufacturing industry with a 15,93% share (COP4.896.846MM) of the total portfolio, followed by Financial and insurance activities with 12,97% (COP3.985.612MM), Wholesale trade with 10,20% (COP3.135.025MM), Retail trade with 8,53% COP2.622.210MM), and Construction and Civil Works with 7,46% (COP2.292.381MM). The other 13 economic activities represent the remaining 44,91%.

In the consumer loan portfolio, the product with the highest participation is payroll deduction loans with 37,69 % (COP4.544.279MM), followed by Personal loans with 29,34%, Vehicle loans with 19,02%, Credit cards with 13,56 %, and Revolving credit with 0,38 %.

Links and references

[End of year 2023 Periodic Report.pdf](#)

Pgs 59 - 60

c) context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?⁵ Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

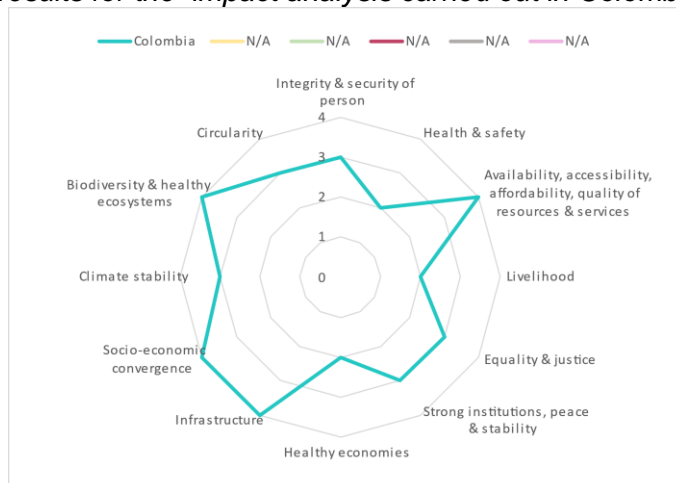
This step aims to put your bank's portfolio impacts into the context of society's needs.

Response

⁴ 'Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

⁵ Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

The results for the impact analysis carried out in Colombia are:



Impact level 4.

1. Availability, accessibility, affordability, quality of resources and services
2. Infraestructure
3. Socio-economic convergence
4. Biodiversity and healthy ecosystems

Impact level 3.

1. Integrity and security of person
2. Climate stability
3. Strong institutions, peace and stability
4. Equality and justice

After the analysis in the context model, the portfolio of the Colombian headquarters bank was analyzed, with the Consumer banking and Institutional banking tools where it was possible to identify that the entity is managing the following identified impacts

Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)6? Please disclose.

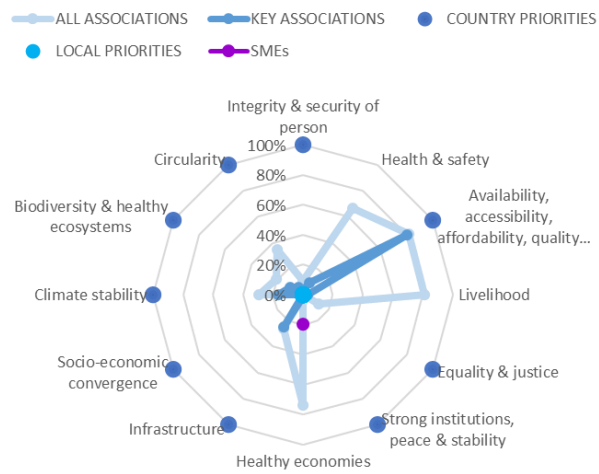
Response

Prioritizing impact areas / Institutional banking

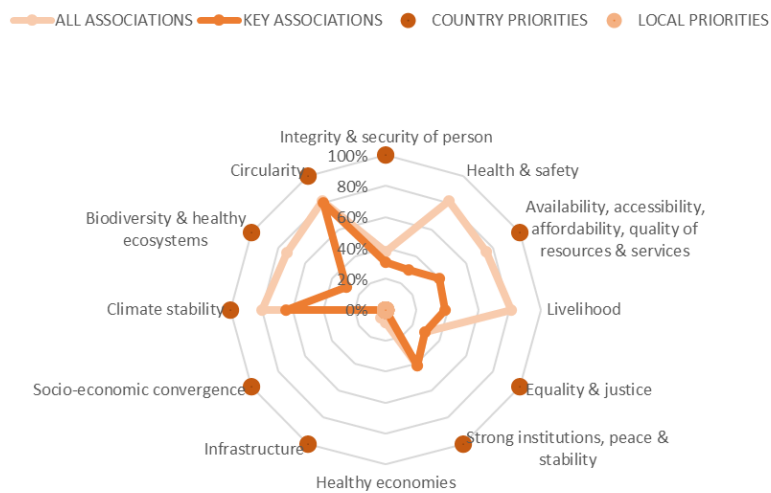
Links and references

⁶ To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.

POSITIVE IMPACTS Impact areas

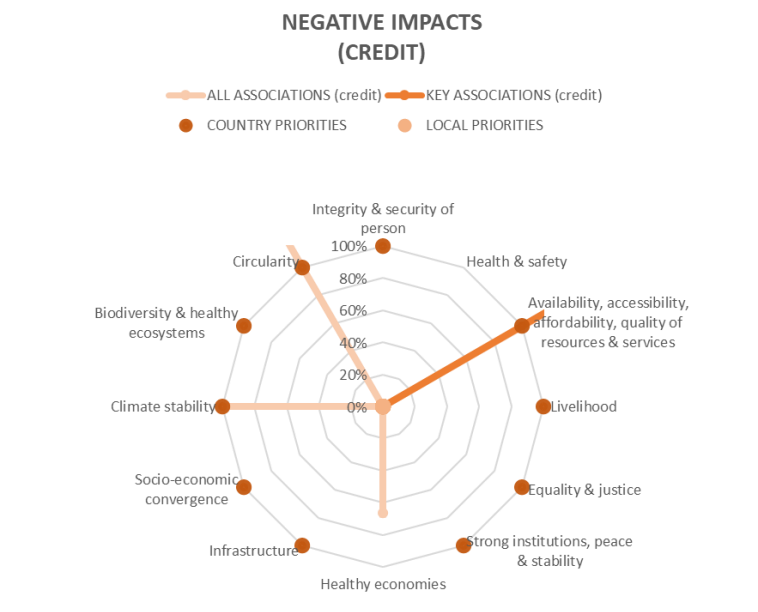
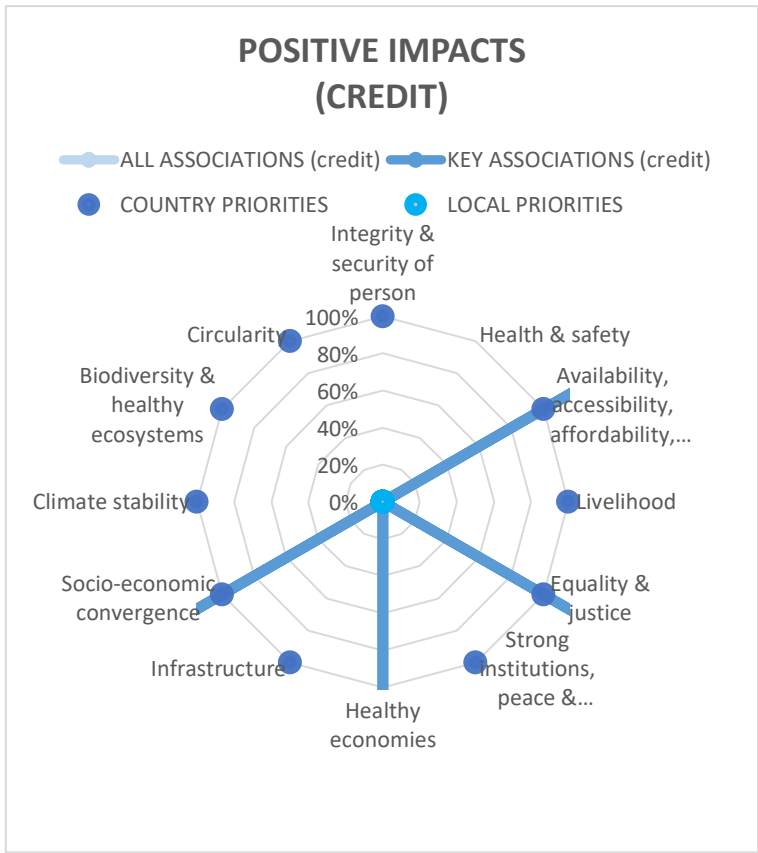


NEGATIVE IMPACTS Impact areas



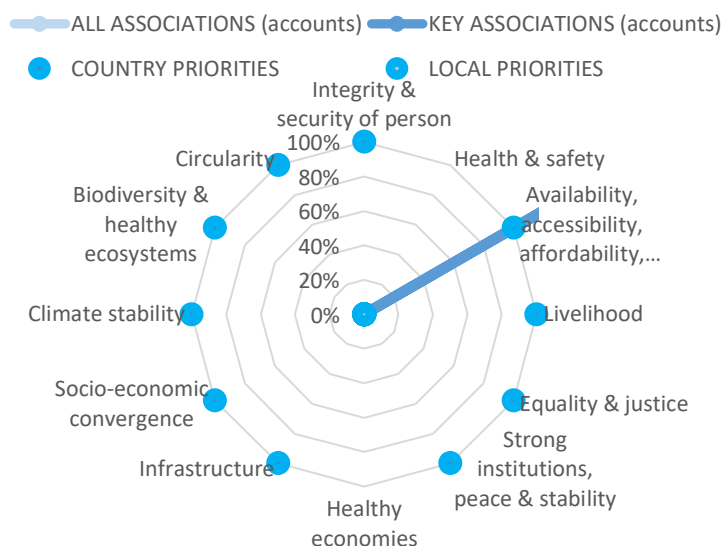
**the dots do not represent a value. They only show if an impact area is a priority in the countries/locations (based on data in the Context Module).*

Prioritizing impact areas / Consumer banking
Credit



Current accounts and savings

POSITIVE IMPACTS (CURRENT ACCOUNTS AND SAVINGS)



The Bank's activities are strongly associated with positive and negative impacts that include: Availability, accessibility, affordability and quality of resources and services, climate change, infrastructure, economic convergence, biodiversity and health in ecosystems, Integrity and health of people, Peace, justice and strong institutions, justice and equality.

The most relevant challenges and priorities for the Banco de Occidente, based on the identified impacts are:

- 1. Climate change*
- 2. Availability, accessibility, affordability, quality of resources and services (Financial inclusion)*

due to the scale of exposures in economic sectors that are key contributors to these impact areas.

d) For these (min. two prioritized impact areas): Performance measurement. Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.

In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health&inclusion as your most significant impact areas, please also refer to the applicable indicators in the [Annex](#).

If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.

The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.

Response	Links and references
<p>1. <i>Climate change:</i></p> <p><i>As an entity we assume the unwavering commitment to actively contribute to the shared goal of moving towards a low-carbon economy. To achieve this objective we have implemented strategic, governance and management elements that will allow us to effectively identify and mitigate social risks and impacts. , environmental and financial related to climate change. Likewise, we support this mission through concrete actions that seek to minimize the environmental impact derived from the investments we finance. In line with our commitment and in compliance with the regulatory requirements supported by our environmental and climate change policy, during 2023, with the collaboration of an expert consulting firm, we have completed the actions linked to the implementation of the Task. Force on Climate-related Financial Disclosures (TCFD) recommendations.</i></p> <p><i>The Bank adopts and promotes the principles of environmental, social and governance sustainability (ESG) in its activities, as well as the financing of sustainable operations that contribute to a responsible environmental transition, by contributing to the competitive strengthening of our clients and therefore contributing to improving the environment and the well-being of society. With this eminently ethical perspective, our Bank offers financing possibilities to our clients and investors so that they can make investment decisions that take into account ESG criteria for their economic activity or a specific project. The positive impact we can achieve by offering this type of financing is significant. Not only are we contributing to Colombia's economic growth and stability, but we are also encouraging the adoption of more responsible and environmentally friendly business practices. In an economy in transition towards a low carbon model, the role of the financial sector is fundamental. We have the capacity and responsibility to channel our resources towards projects and companies that promote sustainability and climate change mitigation. By offering sustainable financing lines, we are promoting innovation and the adoption of clean technologies, which in turn brings us closer to a more resilient and sustainable economy in the long term. For this reason, the Bank has developed a portfolio of products that provides to sustainable development, whose management we describe below:</i></p> <p>✓ <i>Occiauto Planeta Azul: Credit line intended for those environmentally friendly customers looking to purchase hybrid or 100% electric vehicles, we have a line of credit in</i></p>	<p><u>End of year 2023 Periodic Report.pdf</u></p> <p>Pg 172</p> <p><u>End of year 2023 Periodic Report.pdf</u></p>

which we provide preferential rates, with 100% financing of the vehicle with a term of up to 84 months. In 2023, disbursements in this line of credit amounted to \$100,829MM with a total of 1,005 operations.

Pgs 109 - 111

- ✓ *Línea constructor verde: It is a credit line that finances sustainable construction projects, that is, they have sustainable seals such as: Edge (Excellence in Design for Greater Efficiencies) and Leed (Leadership in Energy and Environmental Design), Casa Colombia (It is a construction certification system sustainable for housing, with application to the social housing segment, adapted to the Colombian context); all with preferential rates in the decrease of up to 100 Basic Points. With the deployment in 2023 for the financing of green lines of construction credit, 15 projects were approved for a value of \$511,717MM, of which at the end of this report period \$30,361MM have been disbursed.*
- ✓ *Vivienda Planeta Azul: It is a line aimed at the acquisition of sustainable housing both for subrogated projects (financed by Bank of the West) and for direct projects (projects not financed by the Banco de Occidente) and its main characteristic: that they must have sustainable housing certification. During the second half of 2023, we launched the Planeta Azul Housing and obtained the first results at the end of the year. In this way, in 2023 we financed 14 units worth \$2,744MM, of which in December we disbursed 11 operations worth \$2,000MM.*

During 2023, we have made significant disbursements for a total of \$383,886MM allocated to the green/sustainable portfolio and a total of \$2.7B accumulated to date.

2. Availability, accessibility, affordability, quality of resources and services (Financial inclusion)

[End of year 2023 Periodic Report.pdf](#)

Pgs 113 -114

At Banco de Occidente, we support the development and strengthening of the SMEs and women SME's segment in Colombia. Our wide range of financial products and services are designed to meet the specific needs of this sector, offering tailored solutions that drive its growth and expansion. From flexible lines of credit to training and advisory programs, we strive to be a reliable and close ally for SME's at every stage of their business journey, which is why we have the following line:

SME's mujer: We understand that access to financing is vital to an SMEs' success, especially those led by women who may face additional challenges in this regard. This is why we are committed to facilitating access to inclusive

and accessible financial services, promoting equal opportunities and the economic empowerment of women entrepreneurs throughout the country.

Business classification	Credit balance Dec '23 (COP)	Number of clients Dec '23
SME (annual sales up to \$20.000MM)	\$6.1B	37.788
Women led SME (annual sales up to \$30.000MM)	\$1.8B	12.836
Women shareholder SME (annual sales up to \$30.000MM)	\$279.899MM	1.834

Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?⁷

Scope:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Portfolio composition:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Context:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Performance measurement:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

Climate change mitigation, climate change adaptation, resource efficiency & circular economy, biodiversity, financial health & inclusion, human rights, gender equality, decent employment, water, pollution, other: please specify

Climate change mitigation and Availability, accessibility, affordability, quality of resources and services (Financial inclusion)

How recent is the data used for and disclosed in the impact analysis?

- ☒ Up to 6 months prior to publication
- ☐ Up to 12 months prior to publication
- ☐ Up to 18 months prior to publication
- ☐ Longer than 18 months prior to publication

Open text field to describe potential challenges, aspects not covered by the above etc.:
(optional)

⁷ You can respond "Yes" to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

2.2 Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets⁸ have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

a) Alignment: which international, regional or national policy frameworks to align your bank's portfolio with⁹ have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.

You can build upon the context items under 2.1.

Response	Links and references
<p><i>Based on our 2023 baseline and the priorities and objectives of our country, our objectives are:</i></p> <p>1. Climate change:</p> <p><i>a. Progressively quantify the emissions financed to set reduction goals for 2030.</i></p> <p><i>b. Financing 8 billion pesos by 2030 in zero or low emissions projects or clean technologies.</i></p> <p><i>These objectives are aligned with SDGs 13 (Climate Action), 6 (Clean water and basic sanitation) and 15 (Life of terrestrial ecosystems), as well as the Sustainable Finance Objectives (SFO) proposed by Asobancaria where the goal by 2030 is to reach a balance of \$140 billion, that is, increase the green portfolio by 121 billion over the next 7 years, reaching a share of 11%. Of this goal, Banco de Occidente is responsible for financing \$8 billion.</i></p> <p><i>Although the greatest contribution of financial entities is in financing the fight against climate change and decarbonizing their portfolios, at Banco de Occidente we have already started with the progressive measurement of our financed emissions, an action that contributes to the goal of exceeding 20% of financial entities that today are already carbon neutral in their direct emissions to 100% of financial entities in 2030.</i></p> <p>2. Availability, accessibility, affordability, quality of resources and services (Financial inclusion)</p> <p><i>a. Increase the Women SMEs portfolio by 10% by 2026.</i></p> <p><i>b. Strengthen the non-financial value offer of the Women SMEs product through specific training for this segment</i></p> <p><i>c. Number of women trained in specific SME topics</i></p>	<p>https://www.asobancaria.com/wp-content/uploads/2023/11/1402-BE.pdf</p> <p>Pg 5</p>

This objective is aligned with SDG 8 (Decent work and economic growth), SDG 10 (Reduction of inequalities) and SDG 5 (Gender equality) from which we work to reduce the gender gap in access to financial products. is essential, including access to credit products. As a union, it was proposed to reduce the gap in access to financial services from seven (7) to zero (0) percentage points and from four (4) to two (2) percentage points the gap in access to credit from now to 2030, the latter considering that the gap has been increasing during the last 3 years, so it is essential to work to reduce it. Towards this objective, at Banco de Occidente we have proposed to allocate \$300. One billion (obtained from multilateral banking)

b) Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.

A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the [Annex](#) of this template.

If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the impact area, all relevant indicators and the corresponding indicator codes:

Impact area	Indicator code	Response
Climate change mitigation	...	
	...	
	...	

Impact area	Indicator code	Response
Financial health & inclusion	...	
	...	
	...	

In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.

Links and references

⁸ Operational targets (relating to for example water consumption in office buildings, gender equality on the bank's management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.

⁹ Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

Response		
Impact area	Indicator code	Response
Climate change mitigation	A 1.1	Yes
	A 2.1	We are in the process of marking and characterizing the bank's green portfolio.
	A 3.1	At the end of 2023 we have financed 2.7B* in sustainable lines
	A 4.1	We will use the standardized tool designed by the Partnership for Carbon Accounting Financials (PCAF) to measure emissions from 4 asset classes: corporate loans, project finance, commercial mortgages and residential mortgages
Availability, accessibility, affordability, quality of resources and services (Financial inclusion)	C 1.3	Alliance with multilateral- BID
	C 2.3 # of new customers per month	Work In Progress (WIP)
	C 3.3 % of Customers actively using the Online/mobile banking platform/tools	Work In Progress (WIP)

c) SMART targets (incl. key performance indicators (KPIs)¹⁰): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

Response	Links and references
1. Climate change:	

¹⁰ Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.

<ul style="list-style-type: none"> ✓ Emissions Co2 / TonCo2 eq ✓ Number of disbursements per line of credit sustentable <p>2. Availability, accessibility, affordability, quality of resources and services (Financial inclusion)</p> <ul style="list-style-type: none"> ✓ % of credit per group (Women SMEs) ✓ Disbursements to women SMEs (credit volume) 	
<p>d) <u>Action plan:</u> which actions including milestones have you defined to meet the set targets? Please describe.</p> <p>Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.</p>	
Response	Links and references
<p>1. Climate change:</p> <ul style="list-style-type: none"> ✓ Progressively quantify the emissions financed to set reduction goals. ✓ Increase financing for investment in new technologies, services and sustainable and low-carbon infrastructure for mitigation and adaptation to climate change. ✓ Progressively implement the TCFD recommendations, establishing the metrics that will be used to evaluate the impact of climate-related risks (physical and transition) on loans and other commercial activities of financial intermediaries in the short, medium and long term. term. <p>2. Availability, accessibility, affordability, quality of resources and services (Financial inclusion)</p> <p>Implementation of the exclusive non-financial value offer for the female SME segment which includes:</p> <ul style="list-style-type: none"> ✓ Training focused on business development, leadership, among others. ✓ Currently two diploma courses have been developed: <ul style="list-style-type: none"> - Female leadership in the VUCA 2023 environment - Artificial intelligence in business and the relevance of female leadership 2024/ 524 attendees ✓ Publication of a podcast in September that will strengthen the non-financial value offer 	

Self-assessment summary

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...

	... first area of most significant impact: ... (please name it)	... second area of most significant impact: ... (please name it)	(If you are setting targets in more impact areas) ...your third (and subsequent) area(s) of impact: ... (please name it)
Alignment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Baseline	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
SMART targets	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Action plan	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No

2.3 Target implementation and monitoring (Key Step 2)

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

Response

Links and references

Principle 3: Clients and Customers



We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1 Client engagement

Does your bank have a policy or engagement process with clients and customers¹¹ in place to encourage sustainable practices?

☒ Yes ☐ In progress ☐ No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

☒ Yes ☐ In progress ☐ No

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities¹²). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).

The Bank adopts and promotes environmental, social, and governance (ESG) sustainability principles in its activities, as well as financing sustainable operations that contribute to a responsible environmental transition, by strengthening the competitiveness of our clients and thereby contributing to improving the environment and societal well-being. With this inherently ethical perspective, our Bank offers financing opportunities to our clients and investors so they can make investment decisions that consider ESG criteria for their economic activity or a specific project.

Banco de Occidente Sustainability Line: By offering sustainable financing lines, we are driving innovation and the adoption of clean technologies, which in turn brings us closer to a more resilient and sustainable economy in the long term.

In 2023 we close with a balance of 2.7B in our sustainable credit lines.

Non-financial value offer:

We promote financial education practices and other disciplines that contribute to the knowledge of our clients and help them develop the necessary skills to make informed financial decisions and contribute to their well-being. With this objective, we continue to develop the Maestros del Hacer (Masters of Doing) program, a

Links and references
[End of year 2023 Periodic Report.pdf](#)

Pg 109

<https://www.bancodeoccidente.com.co/wp/s/portal/banco-deoccidente/bancodeoccidente/maestros-del-hacer>

management platform that seeks to reach consumers through training actions that include workshops, events, networking, forums, and other strategic resources such as social media, thereby creating valuable content. During 2023, we launched 26 financial education content pieces through Meta, Instagram, and LinkedIn, among which we highlight: Banking Security, Savings Month, Virtual Security Week, SARLAFT (Anti-Money Laundering and Terrorist Financing System), Financial Ombudsman, Habeas Data (Data Protection), and tips for managing finances; we reached an audience of over 84,000 impacted individuals. Likewise, we implemented our Content Hub on our website to consolidate all the topics developed in a single space.

[End of year 2023 Periodic Report.pdf](#)

Pgs 273-275

- *Training for Corporate Banking Clients:*

As part of the strategic plan defined for our Corporate and Institutional Segment, which is based on fostering training opportunities through different channels for our current and prospective clients to strengthen our relationships and closeness, we conduct an annual survey that identifies and analyzes the main trends and topics of interest to share with our audience. For this period, we launched the following topics of interest and achieved an attendance of 189 clients in these training processes:

Program name/ Course/ Training	Number of participants
Learn more about Capital Funds - CFP	25
Autocom Webinar: Self-leadership in our new reality. Managing your own position.	33
Economic Expectations 2023 - 2024 Hedging Strategies	17
Technology Leasing Alliance Event: Colsof - Banco de Occidente	114

Source: Banco de Occidente

We continue working in partnership with other entities and different areas of the Bank to develop new topics and thus strengthen the commercial bond in order to expand the knowledge of this segment according to the current economic situation. Some of the entities that we highlight in this coordination effort are El Fondo Capital Privado and Colsof.

- *Training for Government Banking Clients:*

Our value proposition to clients in the government sector focuses on providing training, advisory services, and

¹¹ A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

¹² Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.

forums to enhance their resources and improve their performance. This is carried out through external advisors who are experts in topics of interest such as Fonpet, public debt, budgeting, revenue management and updating, financial intelligence, among others; sometimes, these training sessions are conducted in collaboration with our subsidiaries. We aim to support our clients in improving their fiscal performance, contributing to the success of their projects, and assisting them in achieving sustainable growth for their entity with transparency and integrity. As communication and engagement strategies, we have used tools such as email, virtual meetings, the Latimpyme platform, and occasionally organized in-person meetings. Each of these interventions is assessed through a satisfaction survey conducted at each event, with feedback from attendees and thank-you letters from clients. The participation achieved during this period for such training activities was 132 attendees.

Program name/ Course/ Training	Number of participants
Electronic Billing	10
Potable Water and Basic Sanitation	2
Fonpet (explanation of pension liabilities for Buga, Morroa, Tuluá, Andalucía, Bugalagrande, Guacarí, Yotoco, San Pedro, Río Frío, Sucre, Buga, Sincelejo)	31
DIAN's External Third Parties Reports	3
Update of the Municipal Budget's Organic Statute	3
Credit (explanation of pension liabilities for Oparapa)	3
Multipurpose Cadastre for Girardot	56
Financial Intelligence	7
Registration Tax for the Department of Bolívar	17

Source: Banco de Occidente

- Training for Business Banking and SMEs clients

With the purpose of supporting business growth and building sustainable long-term trust relationships, we advise companies, including SMEs, on various topics according to the current economic situation and their business environment to cope with different challenges, acquiring more knowledge and tools. Aligned with this objective, we have a business classroom where all the training sessions are stored to support decision-makers and guide them on different topics for proper business financial management. Similarly, we contribute financial knowledge for SMEs management, currently made up of more than 9.000 entrepreneurs and 37.000 employees.

Diploma Courses	Number of participants			
	Business visits	SME visits	Business attendees	SME attendees
2022 Tax Reform Update.	156	828	49	238
Digital Sales through the Funnel System	332	130	84	30
Strategy for Human Talent Retention	113	179	96	40
Female Leadership in VUCA Environments	950	912	222	275
Resilient Companies in Times of Uncertainty	334	60	68	16
Big Data for Strategic Decision Making	877	135	171	37
Human Talent in the Digital Era	718	414	119	89
World-Class Customer Service: Trends and Management	263	496	263	99
Strategic Management and Leadership	789	407	153	96
Preparing the Sales Force for Virtual Buyers	489	347	91	89

Strategic and Financial Planning	869	428	171	131
Family Businesses	275	188	130	79
Service and Customer Experience	142	145	43	43
Sustainability and Social Responsibility in Companies	21	14	14	6

Source: Banco de Occidente

3.2 Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services , information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

Response

During 2023, we worked on defining our sustainable taxonomy focused on the value proposition of different segments, as well as Colombia's Green Taxonomy. This allowed us to start the process of categorizing our portfolio according to established lines that involve social and environmental criteria. Our goal is to identify and support our Corporate and Retail Banking clients interested in carrying out sustainable projects that have a positive impact on society and the environment, actions that allowed us to carry out in 2023 disbursements totaling COP 383.886MM aimed at green/sustainable portfolio. Contribution to the green portfolio reflects our commitment to strengthen the transition to a more sustainable economic model. These funds supported projects that seek to mitigate environmental impact and promote

Links and reference

[End of year 2023 Periodic Report.pdf](#)

Pgs 111 - 112

environmentally friendly business practices, including projects in energy efficiency, renewable energy, sustainable building construction, clean transportation, and water supply infrastructure. In an increasingly aware world of the importance of sustainability, we believe that investing in the green portfolio is not only financially sound but also essential for building a more equitable and healthier future for generations to come.

Principle 4: Stakeholders



We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups¹³) you have identified as relevant in relation to the impact analysis and target setting process?

☒ Yes ☐ In progress ☐ No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

Response

In our operations and actions, we interact with a variety of individuals and stakeholders, seeking to continuously create value for them by identifying the impacts we generate or could generate and we manage such impacts effectively

During 2023 we carried out material actions to engage our stakeholders establishing dialogues and consultations for updating our materiality. In addition, we developed various sustainability communication initiatives for each group, namely:

Customers:

Links and references

[End of year 2023
Periodic Report.pdf](#)

Pgs 134, 137-139

¹³ Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations

- We sent sustainability newsletters via email.
- We shared perception surveys for the development of double materiality.
- We launched the 30-year Planeta Azul campaign (Eucoles, Lightbox at the airport, social media, radio, Show Heroes, Bulletins like Alcorriente Empresarial y Persona Natural, Freepress).
- We conducted "Maximize your savings with sustainable investing" forums (Mailing, social media).
- We created content with posts on the social media pages of the Planeta Azul community.
- We generated content with posts on the Bank's social media (Coyunturas, Special days).

Staff:

- We raised awareness among all Vice Presidencies regarding the Bank's "Deployment of the Strategy" sustainability.
- We shared nationwide information regarding activities, initiatives, and ASG achievements through the "Del Lado de Los Que Hacen" mailbox, highlighting our children's drawing contest, Environmental Tips, Environmental Education, etc.
- We launched the "Inspiring Women" and "Pride Connections" campaigns, accompanied by national training spaces.
- Through our mailboxes: "Del Lado de los que hacen," "Nuestro Banco," and "Con Nuestra Gente Vamos más allá," we sent out several communications related to sustainability topics, initiatives that mobilize management from different areas, among other.
- We distributed perception surveys for the development of double materiality.

Partnerships:

- We produced the EcoBook edition 39 - Editor IM Editores and printer Panamericana.
- We conducted forums with the partner - Caribbean Cargo Agency (CCA) - a Banco de Occidente allied company that provides advice on effective certification of tax incentive programs, with special emphasis on sustainable nature projects.
- We established an alliance with the advertising agency Eiso: We advertised on the social media pages of the Planeta Azul community

Society and environment:

- *Posts on our social media platforms featuring campaigns and pieces from initiatives focused on both social and environmental aspects. Likewise, in our YouTube platform we share talks, webinars, and forums on general topics of interest for the community.*
- *We share the sustainability newsletter with our bank clients via email, highlighting the most representative sustainability actions carried out.*
- *We expanded the coverage of the sustainable mobility program in collaboration with Try My Ride to other major cities, aiming at reducing our employees' mobility impact on the environment.*
- *We collaborated with the Ministry of the Environment to reach a larger number of the population with our ecological book that shows Colombia's biodiversity cases.*
- *We shared a perception survey for the development of double materiality*

Suppliers:

- *We conducted sustainability surveys with suppliers to assess the maturity of their sustainable practices, measure their standards, and their impact on the Bank. This practice also encourages the sustainable development of suppliers.*
- *We have a survey module on a digital platform called iSupplier. In addition, we have unnamed mailboxes available to request clarifications if needed*
- *We shared a perception survey for the development of double materiality*

Government and Regulations:

- *We participated in discussion forums related to the implementation process of Circulars 012 and 031 by the SFC and contributed to discussion forums.*
- *We participated in Asobancaria's industry report.*
- *We shared a perception survey for the development of double materiality*

Opinion Leaders:

- *FreePress GPTW Certification, 30 years Planeta Azul We shared a perception survey for the development of double materiality.*

Principle 5: Governance & Culture



We will implement our commitment to these Principles through effective governance and a culture of responsible banking

5.1 Governance Structure for Implementation of the Principles

Does your bank have a governance system in place that incorporates the PRB?

☒ Yes ☐ In progress ☐ No

Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

Response

Sustainability policy:

In our policy we established the general principles that we must follow to align and develop initiatives that respond to the commitments of the sustainability strategy, in such a way that they are oriented to the management of the business around economic, social, environmental and government issues. corporate. For us, the consolidation of sustainability and its articulation with the purpose and business model of the Bank and its subsidiaries is essential. With this, we want to strengthen the processes to improve business operations, organizational reputation and the positioning of the organization and its subsidiaries as a reference in the Colombian financial sector.

Sustainability governance:

Our sustainability strategy is based on the sustainability policy of Banco de Occidente, which we have described in this section, and which was prepared by the Sustainability Management of the Vice Presidency of Human and Administrative Talent with a scope to the subsidiaries of our bank. . In this way, we have governing bodies that range from senior management to the different organizational levels, they have roles that respond to their responsibility in the

Links and references

[End of year 2023
Periodic Report.pdf](#)

Pgs 127-128

approval and supervision of strategic and management guidelines within the framework of sustainability.

The sustainability steering committee has the responsibility of defining the guidelines of the sustainability strategies, contributing to their implementation through the approval, monitoring and control of the commitments and initiatives established therein, and positioning the culture and vision of sustainability. in the decisions and activities of our organization. This Committee, in turn, involves all the areas in charge of developing and implementing the initiatives and action plans framed in the sustainability strategy by providing elements for the timely management of them and the indicators associated with them. Management promotes and advises the execution and implementation of relevant actions for interest groups linked to sustainability.

5.2 Promoting a culture of responsible banking:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

Response

The entity has periodic disclosures for its clients and employees where the principles of responsible banking are promoted through actions such as:

- Publications on our social networks with campaigns and pieces of the initiatives carried out both at a social and environmental level.*
- We share the sustainability newsletter with the most representative actions carried out on sustainability issues to the bank's clients via email.*
- We expanded the coverage of the sustainable mobility program together with Try My Ride to other main cities in order to reduce the impact of our collaborators' mobility on the environment.*
- We work with the Ministry of the Environment to impact a larger population with our ecological book that highlights the biodiversity of Colombia.*

Links and references

5.3 Policies and due diligence processes

Does your bank have policies in place that address environmental and social risks within your portfolio?¹⁴ Please describe.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

¹⁴ Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.

Response	Links and references
<p><i>SARAS is the system that the bank has implemented to evaluate its financial operations and detect negative impacts on the environment and society. For this reason, administration and supervision of the activities that guarantee the proper functioning of the system have been defined:</i></p> <ol style="list-style-type: none"> <i>1. Prepare, update and submit the environmental and social risk management policy to Senior Management for verification.</i> <i>2. Develop procedures, tools and methodologies to identify, categorize, evaluate and monitor clients entering SARAS.</i> <i>3. Support and assist the other areas of the Bank of the West in the application of the social and environmental risk management methodology.</i> <i>4. Periodically report to the Board of Directors about the management of environmental and social risks in the Bank.</i> <i>5. Promote knowledge of the environmental and social risk management policy among the areas subject to it</i> <i>6. Monitor compliance with the Policy within the Bank, as well as adopt the corresponding measures when it is not being applied correctly.</i> 	<p>End of year 2023 Periodic Report.pdf</p> <p>Pgs 55-59</p>
<p>Self-assessment summary</p> <p>Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No</p>	

Principle 6: Transparency & Accountability



We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

6.1 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

☒ Yes ☐ Partially ☐ No

If applicable, please include the link or description of the assurance statement.

Response

The report was secured by the consulting firm BD

Links and references

<https://www.bancodeoccidente.com.co/banco-de-occidente/documentos/PDF/01-quienes-somos/informacion-para-accionistas/participacion-accionaria/4-carta-de-aseguramiento-en-ingles-assurance-letter.pdf>

6.2 Reporting on other frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

- ☒ GRI
- ☒ SASB
- ☐ CDP
- ☐ IFRS Sustainability Disclosure Standards (to be published)
- ☒ TCFD
- ☒ Other: DJSI, Pacto Global

Response

Links and references

6.3 Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis¹⁵, target setting¹⁶ and governance structure for implementing the PRB)? Please describe briefly.

Response

Banco de Occidente highlights its commitment to Sustainable Development as a pillar of its mission, an action that is based on participation in the DJSI (Dow Jones Sustainability Index in 2023) which has allowed the entity to mobilize efforts that promote sustainable practices in its operations, the entity's participation in the Pacto Global under the auspices of the ONU is also highlighted, alliances that reflect the Bank's leadership and commitment in promoting financial solutions that support sustainability at a global level.

The declaration of mobilizing 8B in sustainable financial products and its commitment to the design of the entity's net zero strategy underline the ambition and responsibility towards the current challenges of the world, also promoting financial inclusion with a gender focus that allows women to be made visible companies in the country and recognize their work in generating employment.

Links and references

¹⁵ For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement

¹⁶ For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.

6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Embedding PRB oversight into governance | <input checked="" type="checkbox"/> Customer engagement |
| <input checked="" type="checkbox"/> Gaining or maintaining momentum in the bank | <input type="checkbox"/> Stakeholder engagement |
| <input type="checkbox"/> Getting started: where to start and what to focus on in the beginning | <input checked="" type="checkbox"/> Data availability |
| <input type="checkbox"/> Conducting an impact analysis | <input checked="" type="checkbox"/> Data quality |
| <input checked="" type="checkbox"/> Assessing negative environmental and social impacts | <input type="checkbox"/> Access to resources |
| <input checked="" type="checkbox"/> Choosing the right performance measurement methodology/ies | <input type="checkbox"/> Reporting |
| <input type="checkbox"/> Setting targets | <input type="checkbox"/> Assurance |
| <input type="checkbox"/> Other: ... | <input type="checkbox"/> Prioritizing actions internally |

If desired, you can elaborate on challenges and how you are tackling these:

Annex

A set of indicators has been produced for the impact areas of climate mitigation and financial health & inclusion. These indicators will support you in your reporting and in showing progress against PRB implementation. Banks are expected to set targets that address minimum two areas of most significant impact within the first four years after signing the PRB. That means that Banks should ultimately set targets using impact indicators. Acknowledging the fact that banks are in different stages of implementation and on different levels of maturity and therefore might not be able to report on impact from the beginning, a Theory of Change approach has been used to develop the set of indicators below.¹⁷ The Theory of Change shows the **pathway to impact** and considers the relationship between inputs, actions, outputs, and outcomes in order to achieve impact. The Theory of Change for climate mitigation can be found [here](#), the Theory of Change for financial health & inclusion can be found [here](#).

How to use: Both practice (action, outcome and output) and impact performance need to be understood because practice is the conduit for achieving desired impacts (including targets). The Theory of Change allows to identify metrics and set targets which align with a bank's maturity. The indicators below are all connected to a bank's impact and can be considered as steps towards measuring impact. Some of the practice indicators (on the action, output, and outcome levels respectively) are connected to portfolio composition and financial targets¹⁸ (highlighted in [green](#)) or to client engagement¹⁹ targets (highlighted in [blue](#)), which enable your overall target. If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex to measure your performance and baseline.²⁰ Once you have set the target, you can use the indicators as guidance for your action plan as well as defining Key Performance Indicators (KPIs) which you can then use to measure progress against the set targets.

¹⁷ It is not required from banks to work with the Theory of Change concept internally. In fact, the Theory of Change has been used to structure the requirements of setting SMART targets using relevant indicators.

¹⁸ Financial targets also aim for real economy outcomes but are not directly expressed as such. Instead, they are expressed with financial indicators and metrics, e.g., to redirect flows of lending and investments to sectors, activities or projects aligned with SDGs and/or related to the selected impact area. Banks can also set financial targets related to specific types of customers e.g., low-income customers or female entrepreneurs.

¹⁹ Client engagement targets involve engaging relevant clients and customers to enable your overall target. The purpose of client engagement is to support clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

²⁰ You might not be able to report on all indicators and/or or levels of practice (i.e. from left to right), in which case you should report on all applicable indicators on the respective level of practice no matter if it is an action, output or outcome indicator.

- **For Signatories of the Net-Zero Banking Alliance:** please report on the climate targets set as required in the [Guidelines for Climate Target Setting](#). As a member of the Alliance, you are required to publish first 2030 targets for priority sectors within 18 months and further sectoral targets within 36 months after signing. You can use the PRB template to disclose the required climate target information if its publication date is in line with the committed NZBA timeframe.
- **For Signatories of the Collective Commitment to Financial Health & Inclusion:** please report on financial health and/or financial inclusion targets set as required in the [Financial Health and Inclusion Commitment Statement](#). As a signatory to the Commitment, you have agreed to set a SMART ambitious target within 18 months after signing. To facilitate your process, please refer to the [Guidance on Target Setting for Financial Health and Inclusion](#) and the [Core Indicators](#) to measure financial health and inclusion. Keep in mind that signatories of the Commitment are encouraged to measure as many indicators as possible from the Core Set or their equivalent to be able to set a SMART impact driven target.

Impact area	Practice ²¹ (pathway to impact)									Impact ²²		
	1. Action indicators			2. Output indicators			3. Outcome indicators			4. Impact indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
A. Climate change mitigation	A.1.1	Climate strategy: Does your bank have a climate strategy in place?	Yes / In progress / No	A.2.1	Client engagement process: Is your bank in an engagement process with clients regarding their strategy towards a low(er)-carbon business model (for business clients), or towards low(er)-carbon practices (for retail clients)?	Yes / Setting it up / No; If yes: Please specify for which clients (types of clients, sectors, geography, number of clients etc.)	A.3.1	Financial volume of green assets/low-carbon technologies: How much does your bank lend to/invest in green assets / loans and low-carbon activities and technologies?	bln/mn USD or local currency, and/or % of portfolio; please specify the definition of green assets and low-carbon technologies used	A.4.1	Reduction of GHG emissions: how much have the GHG emissions financed been reduced?	% over time; baseline and tracking GHG emissions in kg of CO ₂ e (or applicable metrics) ²³
	A.1.2	Paris alignment target: Has your bank set a long-term portfolio-wide Paris-alignment target? To become net zero by when?	Yes / In progress / No; If yes: - please specify: to become net zero by when? - Emissions baseline / base year: What is the emissions baseline / base year for your target?	A.2.2	Absolute financed emissions: What are your absolute emissions (financed emissions = scope 3, category 15) in your lending and/or investment portfolio?	Total GHG emissions or CO ₂ e (please also disclose what is excluded for now and why)	A.3.2	Financial volume lent to / invested in carbon intensive sectors and activities and transition finance: How much does your bank lend to / invest in carbon-intensive sectors and	bln/mn USD or local currency, and/or % of portfolio	A.4.2	Portfolio alignment: How much of your bank's portfolio is aligned with Paris (depending on the target set [A.1.2] either 1.5 or 2 degrees)?	% of portfolio (please specify which portfolio; for corporate and business clients: % of sectors financed)

²¹ Practice: the bank's portfolio composition in terms of key sectors, its client engagement, and its relevant policies and processes, and, if applicable, its advocacy practices

²² Impact: the actual impact of the bank's portfolio

²³ If possible and/or necessary, please contextualize the progress: Greenhouse gas emissions might even increase initially because the scope of measurements is extended and financed emissions from a growing proportion of the portfolio are measured, emission factors are updated etc. Emission reductions made by the clients should over time lead to a decrease in GHG emissions financed.

			- Climate scenario used: What climate scenario(s) aligned with the Paris climate goals has your bank used?					activities ²⁴ ? How much does your bank invest in transition finance ²⁵ ?				
	A.1.3	Policy and process for client relationships: has your bank put in place rules and processes for client relationships (both new clients and existing clients), to work together towards the goal of transitioning the clients' activities and business model?	Yes / In progress / No	A.2.3	Sector-specific emission intensity (per clients' physical outputs or per financial performance): What is the emission intensity within the relevant sector?	Please specify which sector (<i>depending on the sector and/or chosen metric</i>): kg of CO ₂ e/ kWh, CO ₂ e / m ² ; kg of CO ₂ e/USD invested, or kg of CO ₂ e/revenue or profit						
	A.1.4	Portfolio analysis: Has your bank analyzed (parts of) its lending and/or investment portfolio in terms of financed emissions (Scope 3, category 15); technology mix or carbon-intensive sectors in the portfolio?	Yes / In progress / No; <i>If yes:</i> please specify which parts of the lending and investment portfolio you have analyzed	A.2.4	Proportion of financed emissions covered by a decarbonization target: What proportion of your bank's financed emissions is covered by a decarbonization target, i.e. stem from clients with	% <i>(denominator: financed emissions in scope of the target set)</i>						

²⁴ A list of carbon-intensive sectors can be found in the [Guidelines for Climate Target Setting](#).

²⁵ Transition finance is defined as financing the transition towards a low-carbon future in alignment with the Paris climate goals. It entails any form of financial support for non-pure play green activities to become greener and reduce emissions.

	A.1.5	Business opportunities and financial products: Has your bank developed financial products tailored to support clients' and customers' reduction in GHG emissions (such as energy efficient mortgages, green loans, green bonds, green securitisations etc.)?	Yes / In progress / No; Please specify which ones, and what financial volume and/or % of the portfolio they account for		a transition plan in place?							
B. Financial health	B.1.1	# of products and services in the portfolio with a focus on financial health	Internal data based. Measures how many of the products and services in the portfolio have a financial health focus. We deem a product or service to have this focus when it facilitates decision making and supports financial health increase based on our definition of financial health. This covers products and services embedded with nudges to simplify decision making, round-up, high yield savings accounts, easy investment tools, etc.	B.2.1	# of individuals supported with dedicated and effective financial and/or digital education initiatives	Based on internal data. Measures the number of users (customers and non customers) of financial and/or digital skills-building initiatives offered by the bank. An initiative encompasses courses, programs, training videos, articles, SMS education campaigns, etc. Dedicated means that the initiative was specially created for a defined group of individuals (in many cases a prioritized group). Effective means that the bank has	B.3.1	% of individuals with a good and/or very good level of financial skills	Assessment based. Measures the percentage of individuals with a good and/or very good level of financial skills according to the assessment chosen by the financial institution. Should be measured on individuals benefitting from the bank's financial education initiatives.	B.4.1	% of customers with a high level of financial health	Survey and/or transactional data based. Measures the percentage of customers with a high level of financial health according to the score chosen by the financial institution.

						measured if the initiative is successful in generating the desired results of stronger financial skills, and thus, any individual that is supported with the initiative will achieve the desired results. A bank can't count a click as an individual so we encourage that the data is presented as # of individuals for deanonymized users and # of interactions for anonymized users.						
	B.1.2	% of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health	Based on internal data. Measures the percentage of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health. Including training to attend the needs of prioritized groups. Effective means that the bank has measured if the initiative is successful in generating the desired results of stronger skills, and thus, any individual that is supported with the initiative	B.2.2	% of customers actively using the online/mobile banking platform/tools	Transactional data based. Measures the percentage of customers logging in, at least once a month, to one of the following digital platforms (measure those applicable for your bank): Online internet banking and/or mobile phone banking and/or digital tools (including financial health tools)	B.3.2	% of customers who use the bank's services to create a financial action plan with the bank	Transactional and/or survey data based. Measures the percentage of customers who create a financial action plan with the bank using the bank's services. A financial action plan is anything that helps the customer build financial resilience. It is done "with the bank" if the bank can visualize, through the transactions of the customer,	B.4.2	% of customers for which spending exceeded 90% of inflows for more than 6 months last year	Survey and/or transactional data based. Measures the percentage of customers with a transaction account and/or savings/investment accounts for which spending exceeded 90% of inflows for more than 6 months in the year within the reporting period compared to the total of customers within PRB scope. Focus on main financial institution customers.

			will achieve the desired results. Relevant employees are those the bank prioritizes in the training program due to their direct impact on the customers' financial health						the results of the plan.			
	B.1.3	# of partnerships active to achieve financial health and inclusion targets	Based on internal data. Measures the number of partnerships currently active to achieve financial health and inclusion targets. By active we mean that are currently undergoing actions and generating results. We suggest disclosing the results of the partnerships in the commentary of the reports.				B.3.3	% of customers using overdraft regularly	Transactional data based. Measures the percentage of customers using the overdraft option in their accounts or credit cards, regularly. Overdraft can be used to handle unexpected emergencies but more than 1/3 of the year (banks may deviate if proper reasons are provided) denotes regularity and a precursor to lower financial health	B.4.3	% of customers that feel confident about their financial situation in the next 12 months	Survey based data. Measures the percentage of customers that answered positively to feeling confident about their financial situation in the next 12 months compared to the total number of customers surveyed. By confident we mean not feeling worried about their financial situation.
							B.3.4	% of customers with a non-performing loan	Transactional data based. Measures the percentage of customers with past-due loans ("past due" defined by policies at each bank) compared to the total amount of customers with	B.4.4	% of customers with products connected to long-term saving and investment plans	Transactional and/or survey data based. Measures the percentage of customers with products connected to long-term saving and investment plans. "Long-term" will depend

									loans in the bank's lending portfolio.			on each bank's definition.
							B.3.5	% of customers showing an increase or stable amounts in savings, deposit and/or investment account balances, quarter on quarter.	Transactional data based. Measures the percentage of customers showing an increase or stable amounts in savings and/or deposit AND/OR investment accounts balances, quarter on quarter.	B.4.5	% of customers that would struggle to raise emergency funds or cover with insurance a major unexpected expense	Survey based data. Measures the percentage of customers that would struggle to raise emergency funds or cover with insurance a major unexpected expense. We consider a major unexpected expense, one that the customer hadn't planned for and would require them to spend more than what they have available for secondary expenses in their monthly budget or 1/20th of the country's Gross National Income (banks may deviate if proper reasons are provided). A good example is: unforeseen medical bills, large appliance malfunctioning, car repair, etc. Survey based using the question: "If a major unexpected expense arises, how can you cover it right now?" and give

												the multiple choice options of insurance, emergency funds, loan, credit card, family/friends, etc.
C. Financial Inclusion	C.1.1 *	# of products and services in the portfolio with a focus on financial inclusion	Internal data based. Measures how many of the products and services in the portfolio have a financial inclusion focus. We deem a product or service to have this focus when its design facilitates the access and usage by the prioritized customer. For example, no-fee savings account, low interest microloan, offline access or sim-based banking apps, etc	C.2.1	# of individuals supported with dedicated and effective financial and/or digital education initiatives	Based on internal data. Measures the number of users (customers and non customers) of financial and/or digital skills-building initiatives offered by the bank. An initiative encompasses courses, programs, training videos, articles, SMS education campaigns, etc. Dedicated means that the initiative was specially created for a defined group of individuals (in many cases a prioritized group). Effective means that the bank has measured if the initiative is successful in generating the desired results of stronger financial skills, and thus, any individual that is supported with the initiative will achieve the	C.3.1 *	% of individuals with a good and/or very good level of financial skills	Assessment based. Measures the percentage of individuals with a good and/or very good level of financial skills according to the assessment chosen by the financial institution. Should be measured on individuals benefitting from the bank's financial education initiatives.	C.4.1	% of customers with 2 or more active financial products, from different categories, with the bank	Transactional data based. Measures the percentage of customers with 2 or more active financial products, from different categories, with the bank. By active we mean there's at least one usage per month. By category we mean credit/debt, savings/deposit/payment, insurance, investment, etc. Once a target has been set for this indicator, we encourage banks to ensure responsible selling policies or other initiatives so that the target doesn't become a toxic incentive.

					desired results. A bank can't count a click as an individual so we encourage that the data is presented as # of individuals for deanonymized users and # of interactions for anonymized users.						
	C.1.2	% of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health	Based on internal data. Measures the percentage of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health. Including training to attend the needs of prioritized groups. Effective means that the bank has measured if the initiative is successful in generating the desired results of stronger skills, and thus, any individual that is supported with the initiative will achieve the desired results. Relevant employees are those the bank prioritizes in the training program due to their direct impact on the customers' financial health	C.2.2	% of customers with effective access to a basic banking product	Transactional data based. Measures the percentage of customers with effective access to a basic banking product. By effective we mean the usage beyond first access. Basic banking products vary by bank. Good examples are: checking accounts, payment accounts, credit cards, saving accounts, deposit accounts, e-money accounts, etc.	C.3.2	% of customers supported with dedicated customer journey/advisory services	"Transactional data based. Where dedicated customer journey/advisory services are in place for prioritized groups, this indicator measures the percentage of customers using such services. Depending on size of bank, either number or percentage can be the unit of measure.		

	C.1.3	# of partnerships active to achieve financial health and inclusion targets	Based on internal data. Measures the number of partnerships currently active to achieve financial health and inclusion targets. By active we mean that are currently undergoing actions and generating results. We suggest disclosing the results of the partnerships in the commentary of the reports.	C.2.3	# of new customers per month	Transactional data based. Measures the number of new customers per month. Once the bank sets a target, this indicator can become a KPI to measure the percentage of new customers from the prioritized groups, per month.	C.3.3	% of customers actively using the online/mobile banking platform/tools	Transactional data based. Measures the percentage of customers logging in, at least once a month, to one of the following digital platforms (measure those applicable for your bank): Online internet banking and/or mobile phone banking and/or digital tools (including financial health tools, if applicable)			
--	-------	--	---	-------	------------------------------	---	-------	--	--	--	--	--