

Welcome to your CDP Climate Change Questionnaire 2020

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

We are a growing, profitable and sustainable financial group. We seek to generate preference a satisfaction in our customers and contribute to making their dreams come true through lasting relationships based on responsibility respect, and closeness. We have 144 years of history and operate in 4 countries and a wide portfolio of financial products and services to more than 14 million active customers. Grupo Bancolombia, through its history, has executed a strategy that has allowed it to create a platform for growth. Its strategy has been evinced in the creation of a Universal Banking model in local an international acquisition to expand its market. In access to the world's main capital markets. In the creation of a wide coverage physical network an in the construction of one of the most reputed a valuable brand in Colombia. These are assets and valuable facts that have allowed us to make the difference within the industry. Generating shared value leads us to achieve profitable and sustainable growth every day in the countries where we operate. To do this, we nurture the attributes that make it possible through actions such as efficiency an indispensable condition for creating and promoting our businesses. We always balance economic, environmental and social factors. a long-term balance that provides us with permanence, confidence, and an unblemished reputation. Suppliers: 19.969 Customers: 14.000.000 Branch Offices: 975 CB: 16.740 Atms: 6196

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1, 2019	December 31, 2019	Yes	3 years

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

Colombia
El Salvador
Guatemala
Panama

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

COP

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-FS0.7

(C-FS0.7) Which organizational activities does your organization undertake?

Bank lending (Bank)

Investing (Asset manager)

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Chief Executive Officer (CEO)	<p>Powers of the CEO</p> <ul style="list-style-type: none"> • approve the model and strategy for Sustainability of Bancolombia Group • Approve policies of economic sectors and activities with significant environmental impact • Approve Sustainability goals and of Bancolombia Group • approve the implementation of high-impact initiatives in sustainability • approve the adherence of Sustainability protocols • Approve the use of resources obtained through cooperations, for improving performance of the Groups sustainability • Validate Sustainability policies of Bancolombia Group

	<ul style="list-style-type: none"> • Address plans, ensuring improvements in the sustainable performance of the Group
Other, please specify Basic Support Committee	<p>Powers of the Basic Support Committee (acting as the Sustainability Committee)</p> <ul style="list-style-type: none"> • Approve adjustments to other policies and models of the Organization Sustainability issues • To approve incorporation of sustainability in the strategy, planning and culture model of the Group • approve the creation and continuity of products and services of the Organization related to Sustainability issues • Validate the goals of Bancolombias Group issues in Sustainability • Sort integration plans, metrics and goals around the issue in all Vice Presidents

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Monitoring and overseeing progress against goals and targets for addressing climate-related issues	<p>Climate-related risks and opportunities to our own operations</p> <p>Climate-related risks and opportunities to our bank lending activities</p> <p>Climate-related risks and opportunities to our investment activities</p> <p>Climate-related risks and opportunities to our other products and services we provide to our clients</p> <p>The impact of our own operations on the climate</p> <p>The impact of our bank lending</p>	Our CEO carries out a frequent follow-up of the integral strategy on sustainability, being the indicators of DJSI the way to know the performance of the organization and include climatic change policies, critical and strategic projects that promote the development of the evaluated subjects. This monitoring is done by our innovation and sustainability vicepresidente and our Corporative sustainability Director , who report directly to the president and the members of the board of directors, who also exercise an attent role on climate change topics, in periodic meetings with the CEO.

		<p>activities on the climate</p> <p>The impact of our investing activities on the climate</p> <p>The impact of other products and services on the climate</p>	
Scheduled – some meetings	Monitoring and overseeing progress against goals and targets for addressing climate-related issues	<p>Climate-related risks and opportunities to our own operations</p> <p>Climate-related risks and opportunities to our bank lending activities</p> <p>Climate-related risks and opportunities to our investment activities</p> <p>Climate-related risks and opportunities to our other products and services we provide to our clients</p> <p>The impact of our own operations on the climate</p> <p>The impact of our bank lending activities on the climate</p> <p>The impact of our investing activities on the climate</p> <p>The impact of other products and services on the climate</p>	<p>Our CEO carries out a frequent follow-up of the integral strategy on sustainability, being the indicators of DJSI the way to know the performance of the organization and include climatic change policies, critical and strategic projects that promote the development of the evaluated subjects. This monitoring is done by our innovation and sustainability vicepresidente and our Corporative sustainability Director , who report directly to the president and the members of the board of directors, who also exercise an attent role on climate change topics, in periodic meetings with the CEO.</p>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Other, please specify Audit committee	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our bank lending activities Risks and opportunities related to our investing activities Risks and opportunities related to our other products and services Risks and opportunities related to our own operations	As important matters arise
Sustainability committee	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our bank lending activities Risks and opportunities related to our investing activities Risks and opportunities related to our other products and services Risks and opportunities related to our own operations	As important matters arise
Risk committee	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our bank lending activities Risks and opportunities related to our investing activities	As important matters arise

			<p>Risks and opportunities related to our other products and services</p> <p>Risks and opportunities related to our own operations</p>	
Chief Sustainability Officer (CSO)	CEO reporting line	Both assessing and managing climate-related risks and opportunities	<p>Risks and opportunities related to our bank lending activities</p> <p>Risks and opportunities related to our investing activities</p> <p>Risks and opportunities related to our other products and services</p> <p>Risks and opportunities related to our own operations</p>	More frequently than quarterly
Chief Executive Officer (CEO)	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	<p>Risks and opportunities related to our bank lending activities</p> <p>Risks and opportunities related to our investing activities</p> <p>Risks and opportunities related to our other products and services</p> <p>Risks and opportunities related to our own operations</p>	More frequently than quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The Board of Directors designates in 4 committees the responsibility to follow-up on specific topics on a monthly basis, these committees are the Good Government Committee, the Audit Committee, the Risk Committee and compensation and development committee. Each committee is composed of at least three (3) members of the Board of Directors of Bancolombia, and at least two of them will have the status of independent members. Within the risks and audit committees' issues related to sustainability are monitored and therefore specific information on climate change is available for both lines of financing that promote the reduction of emissions and products like green bond issuance and eco-efficiency indicators. In addition, the risk committee analyses different climatic phenomena that affect the clients' portfolio and the possible solutions and the industries that more impact and industries more affected by the climate change

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	Executive committee member have a compensation system is composed between two systems, the first one is called long term which corresponds to 70% of compensation and its linked to the accomplishment of indicators that guarantee long term sustainability, value generation and alignment with shareholders' interest; the second one is called short term corresponding to 30% of the variable compensation which is linked to the yearly goals. Profitable and Sustainable Growth is one of the four long term indicators which is measured by our performance in the DJSI

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Corporate executive team	Monetary reward	Efficiency target	Executive committee members have a compensation system which is composed between two parts, the first one is called long term which corresponds to 70% of compensation and its linked to the accomplishment of indicators that guarantee long term sustainability, value generation and alignment with shareholders' interest; the second one is

			called short term corresponding to 30% of the variable compensation which is linked to the yearly goals. Profitable and Sustainable Growth is one of the four long term indicators which is measured by our performance in the DJSI. Climate Change is part of DJSI Indicators
Other, please specify Suppliers	Non-monetary reward	Supply chain engagement	An award is made to suppliers for their practices in different categories: Innovation, safety, sustainability, and labor practices. Within the sustainability category, the suppliers that have developed valuable practices within the company or for the benefit of the bank, are nominated. The best provider in sustainability practices is recognized annually
All employees	Non-monetary reward	Other (please specify) Sustainable Employees	For the last 3 years, Bancolombia in the main cities of Colombia Medellín and Bogotá have three (3) and two (2) electric cars respectively. Which are assigned weekly to employees who have achieved the following categories: Mobilizers, volunteers, sustainable businesses, use of the sustainable mobility tool for employees, part of the DJSI sustainability index and specific actions that demonstrate they are sustainable employees. About 350 employees have been favored by this experience.

C-FS1.4

(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG principles, including climate change?

	We offer an employment-based retirement scheme that incorporates ESG principles, including climate change.	Comment
Row 1	No, but we plan to do so in the next two years	Retirement scheme in Colombia is distributed in 4 Private companies and 1 Government company. One of the private companies is adhered to PRI (Principles of Responsible Investment) for which it is incorporating ESG criteria in its operation. The two others are in the process of adhering to PRI and the other has not defined it adherence. A high percentage of employees are affiliated with the private company that is already adhered to PRI, but it is a personal decision that the Pension Fund joins or not, and therefore

		Bancolombia has no influence over its employees for this moment.
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C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	3	<p>Time horizon for assessing climate-related risk and opportunities is aligned with our business practice in time horizon. We understand that climate change requires an extended long-term horizon, this is the reason why the long-term scenario of 10 years is included.</p> <p>Bancolombia group counts with a strategic planning that is sustainable for the long-term, we are anticipating global trends, taking action to mitigate risks and capturing opportunities. Our risk management system includes environmental and social risk assessment and it is integrated into business continuity planning. it also allows as to mitigate the effects of climate change.</p> <p>Currently, the analysis to align our strategy to a 1.5°C scenario is carried out under a 10-year time horizon. We are setting portfolio decarbonization target to 2030.</p>
Medium-term	3	5	<p>Time horizon for assessing climate-related risk and opportunities is aligned with our business practice in time horizon. We understand that climate change requires an extended long-term horizon, this is the reason why the long-term scenario of 10 years is included.</p> <p>Bancolombia group counts with a strategic planning that is sustainable for the long-term, we are anticipating global trends, taking action to mitigate risks and capturing opportunities. Our risk management system includes enviromental and social risk assessment and it is integrated into business continuity planning. it also allows as to mitigate the effects of climate change.</p> <p>Currently, the analysis to align our strategy to a 1.5°C scenario is carried out under a 10-year time horizon. We are setting portfolio decarbonization target to 2030.</p>

Long-term	5	10	<p>Time horizon for assessing climate-related risk and opportunities is aligned with our business practice in time horizon. We understand that climate change requires an extended long-term horizon, this is the reason why the long-term scenario of 10 years is included.</p> <p>Bancolombia group counts with a strategic planning that is sustainable for the long-term, we are anticipating global trends, taking action to mitigate risks and capturing opportunities. Our risk management system includes environmental and social risk assessment and it is integrated into business continuity planning. It also allows us to mitigate the effects of climate change.</p> <p>Currently, the analysis to align our strategy to a 1.5°C scenario is carried out under a 10-year time horizon. We are setting portfolio decarbonization target to 2030.</p>
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C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

The processes to identify climate-related risks and opportunities are considered in the company-wide, standardized risk management. The main objective is to identify and assess the relevant risks and to define appropriate risk mitigation measures. The Grupo Bancolombia has a risk and control management framework that allows it to preserve the efficacy, efficiency and effectiveness of its management and operational capacity, prevent, avoid or minimize the probability of events that may affect the operation or compliance with the objectives and/or the costs or damages caused associated with the materialization of these events.

A risk is considered to be substantive if it has a material impact on the bank's core business. Then, the Bank evaluates the effectiveness of the internal controls for each risk. The combination of these two evaluations results in an overall assessment and a prioritization of Bank's risks and opportunities.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Our Risk Management System includes definition of risk policies and guidelines, specific objectives to manage thereof, definition and implementation of the system components (identification, evaluation, measurement, management, monitoring, and reporting risks), creation and follow-up of a risk map, as well as minimum and maximum exposure limits, among others. The processes to identify climate-related risks and opportunities are considered in the company-wide standardized risk management system. In terms of governance, the Executive Committee of the Presidency of Bancolombia acting as the Sustainability Committee exercises the Climate Change Governance of the Bancolombia Group and will have its highest advisory body in the Bancolombia Board of Directors through the Corporate Governance and Corporate Risks committees. Bancolombia have signed TCFD recommendations which demonstrates our commitment to better understand and effectively manage climate-related business risk and connects to our strategy. We are developing our approach to the TCFD recommendations and are working to evaluate both, transition risk and physical risk.

During 2019, we implemented the following approaches regarding Climate-related risks:

1. Transitional risk. We measure the portfolio's exposure to different climate scenarios using the PACTA methodology (Paris Agreement Climate Transition Assessment). We developed a methodology to identify and prioritize the sectors to which our portfolio is exposed and which present a greater risk in terms of environmental, social and corporate governance. The methodology findings have allowed us to define the steps to follow in our portfolio decarbonization strategy. In this sense Bancolombia defined a coal exposure policy. We have adopted a policy restricting coal financing including coal mining companies and thermal coal power plants, we also defined our coal phase-out by 2030.

2. Physical risk. We have operations in regions that are vulnerable to physical changes arising from sustained temperature increases, such as sea level rise and its coastal erosion, storm surges and flooding effects could directly impact our own operations. Our client's operations in such regions could also be adversely impacted which in turn could expose us to credit risk. Annual assessments by our business continuity team consider physical risks to our facilities from factors including severe weather, wildfires and flooding. Our Business Continuity group assesses risks associated with planned recovery facilities for our major locations.

Downstream value chain. As part of our risk management system, Bancolombia has adopted the Equator Principles of the World Bank and the Performance Standards of the International Finance Corporation - IFC, as applied standards to identify, evaluate and manage risks and environmental and social impacts implied within the operations and projects we finance. Its scope of application is the assessment related to the environment and natural resources, climate change, community health and safety, ethnic minorities, human rights and work safety.

Bancolombia adjusted its processes and policies for Environmental and Social Risk Analysis to align itself with the fourth version of the Equator Principles and its entire application framework. During 2019, 147 operations were evaluated through the Socio-Environmental Risk Analysis process, 12% more than the total number of operations evaluated compared to the previous period (130 operations), covering a total portfolio of COP 13,467,701,468,542 (COP13.4 trillion).

Upstream value chain. Suppliers are part of the scope of our policy for Environmental and Social Risk Analysis. Furthermore, we have in place a RFP process (Request For Proposal) which includes the evaluation of the suppliers in sustainability aspects. We also evaluate physical and transitional climate risks on our suppliers since we are indirectly exposed to their impacts. For example, if key supplier operations are disrupted due to increased severity and frequency of severe weather events this could lead to increased costs and/or a lack of availability of products and services we need to run our business.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Regulatory risks allow us to identify the applicable legislation of the different countries where we are present, in this manner we prevent fines and sanctions for incompliance. Once a potential climate-related risk has been identified, the teams work on special products creation and on technical advisory services to meet market needs. For example, the impacts of current carbon taxes have been analysed: If the Colombian Government increases the CO2 tax, the price the Bank pays for the energy consumed at its different sites increases. Since 2017 when the law came into effect, Bancolombia has implemented training for customers in this new tax and explained how they can implement projects that reduce their GHG emissions and thus generate a lower tax while contributing to mitigation of the GHG.
Emerging regulation	Relevant, always included	This risk type is relevant and included in our risk assessments because we are indirectly exposed to credit and reputational risk related to the direct impacts of regulation, including climate-related legislation on our clients and also relevant and included because our direct operations are subject to climate-related regulations in some jurisdictions. There is a legal area in charge of analysing and sharing with responsible areas all new legislation. Particularly legislation regarding environmental or climate change issues. Then Bancolombia's sustainability area creates interdisciplinary analysis groups supported by other stakeholders including government to identify risks and opportunities that may rise

		from regulatory changes. After this process, alerts are created for Bancolombia commercial teams and support is provided for customer attention, which allows us to lead the financial market and anticipated to new regulation effects. For example, if an energy efficiency rating of buildings should become compulsory and if improvement obligations should be defined, some properties might have to be revalued.
Technology	Relevant, always included	This risk type is relevant and included since the development and use of new low-carbon technologies such as renewable energy, battery storage and energy efficiency devices will affect the competitiveness of Bancolombia, as well as our operational costs. Climate-related technology risks are continuously assessed by the Real Estate and Technology teams as part of the management of physical assets. For example, accelerating technology can increase renewable energy use in the company's facilities and data centres. For example, in Bancolombia we have 49 kWp of installed power in the Torre Oriente building, which during 2019 produced a total of 60,941 kWh through solar panels equivalent to 4.45% of the building's consumption, and we started the installation of 700 kWp in Dirección General building, which will start operating in 2020, which corresponds to 15% of its total energy consumption. We also implement some energy efficiency measures like Solar control films in windows from about 84 branches in Colombia, intended to decrease thermal charge of the air conditioning system and generate relevant electric energy savings. With this strategy a 15% saving of energy consumption is reached. During 2019 savings of 1'875.651 KWh have been reached (equivalent to COP\$964.038.354).
Legal	Relevant, always included	Bancolombia is not often subject to climate-related litigation claims. However, failure to comply with laws, regulations or policies applicable to Bancolombia business could result in sanctions. It could have a material adverse effect on the company's business, financial condition and results of operations. In Bancolombia, regulatory requirements are assessed on an ongoing basis and its compliance is mandatory in our organization. An example of a law that Bancolombia must comply with, is the resolution for the management of packaging waste. Some Bancolombia's activities and process like distribution of credit cards, computer leasing, among other are impacted by this resolution. we have to implement a management reverse logistic system.
Market	Relevant, always included	The biggest climate- related market risk issue is losing the participation we currently have in the market because we do not have the products that are required to meet the demand of our customers, such as special financing lines that allow a transition to a low carbon-emission economy. This loss of market can also occur due to reputational issues

		<p>that our clients do not recognize us as a bank that works for climate finance or to support, they need to face the climate-related risks and opportunities. As a result of this risk Bancolombia has developed products like low-carbon financing, including green bond underwriting, impact investments and financing for renewable energy projects. These teams ensure that we are always innovating and creating new products to adapt to changing market dynamics. Furthermore, in 2019 We continue to strengthen our investment product with ESG characteristics, the Delegate Portfolio, which seeks to generate competitive long-term returns for our clients by incorporating sustainability factors and the selection of assets with the best ESG ratings relative to their industries. Thus, we managed to increase the amount of assets under management from COP 167,000 billion in 2018 to COP 221,000 in 2019, increasing the number of linked customers from 8 to 15 in the same period</p>
Reputation	Relevant, always included	<p>Potential risks could include mainly damage to Bancolombia's reputation if the Bank does not meet the expectations of its stakeholders regarding its response to climate change. The concern about a sustainable future has created awareness in the society, which makes our clients to demand products and services aligned with this issue. That is the reason because Bancolombia must be aware of those changes on consumer behaviours and must offer innovative services that meet those requirements. Bancolombia also recognizes the need to keep our stakeholders well informed and the transparency that must exist in the information we disclose. As an example, Bancolombia maintains environmental transparency publishing its sustainability report in accordance with GRI guidelines and discloses its climate-related issues according to CDP (Climate Disclosure Project)</p>
Acute physical	Relevant, always included	<p>We identify and assess direct physical risks from extreme weather events. Since Bancolombia has 704 branches and 4349 ATMs in different localities of Colombia, a country with different thermal zones and surrounded by two oceans, there could be climate change events that have as a consequence financial service interruptions (branches and ATMs) due to damages caused inside the facilities, interruption of public services supply or employees unable to commute. We have defined a program that assures the definition, planning, implementation and proof of business continuity strategies, which will allow us to be prepared to accurately and opportunely attend the events that might interrupt the service provision and the promises made to our clients, which include climate change matters. The BCP (Businesses Continuity Plan) is composed by the following fronts: people, processes, infrastructure and technology. a. People front Master plan of Emergency attention (Plan Maestro de Atención de Emergencias</p>

		(PMAE)) (Please find attached document): The Human Management vice-presidency, through the Life Quality area, defines the PMAE, which is about previously disposed protocols and resources system to move the employees from an administrative building or a branch where a risk has been materialized, to a safe place, with support of expert groups (supporting group of people recovering) in order to guarantee their protection and integrity. The responsible of the areas designate people for the support group and facilitate their training and participation.
Chronic physical	Relevant, always included	Changes in weather conditions (temperature, precipitation, wind) and in extreme water levels (sea storm surges, wave climate) represent new risks for seaport and road infrastructures. Sea level rise will affect seaports and their hinterland connections. Since Bancolombia participates in structuring and financing the Fourth Generation (4G) public-private partnership (PPP) infrastructure program in Colombia. Rising sea level is one of the most important risk identify and included in the environmental and social risk evaluated in Seaports projects. A specific risk assessment is required for Project proponents in order to identify the magnitude of the risk and also the mitigation and adaptation measures to be implemented by the Project owner.

C-FS2.2b

(C-FS2.2b) Do you assess your portfolio's exposure to climate-related risks and opportunities?

	We assess the portfolio's exposure	Please explain
Bank lending (Bank)	Yes	2019 was a year of updating and ratifying our internal climate change policy, since we joined initiatives such as TCFD (Task Force on Climate-related Financial Disclosure), an initiative that gives us recommendations on how to make effective the disclosure on climate risks to understand the exposure of the financial system to the risks associated with climate change and promote better informed decisions in climate terms for investments and credit. We participated in a pilot project of 2 ° Investing Initiative, a 'think tank' specialized in climate change. In this project we measure the portfolio's exposure to different climate scenarios using the PACTA methodology (Paris Agreement Climate Transition Assessment). Furthermore we developed an internal methodology to identify and prioritize the sectors to which our portfolio is exposed to and which present a greater risk in terms of environmental, social and corporate governance. The methodology findings allowed us to define the steps to follow in our portfolio decarbonization strategy.

Investing (Asset manager)	Yes	We have identified physical and transition climate risks and opportunities associated with our clients at a banking level and are currently implementing the process to incorporate various scenario analysis into our investment process. Furthermore, we have assessed the likelihood and impact of climate risks with our banking products and we are planning to expand this assessment into all of our investment processes once a methodology for local issuances and issuers can be applied since the existing ones have a low coverage of the Colombian market. On this matter, we have been working with PRI on the latin american working group and with 2 degrees PACTA initiative to increase coverage and adapt it to a local framework, however, we have been carrying this analysis for a minority of our portfolio expose to international assets.
Other products and services, please specify		

C-FS2.2c

(C-FS2.2c) Describe how you assess your portfolio's exposure to climate-related risks and opportunities.

	Portfolio coverage	Assessment type	Description
Bank lending (Bank)	Minority of the portfolio	Qualitative and quantitative	<p>In Bancolombia we have conducted a lending portfolio carbon exposure analysis using the PACTA (Paris Agreement Capita Transition Assessment) Methodology from 2° Investing Initiative. We measured the exposure of our credit portfolio to assets in the most carbon intensive sectors in the economy that account for approximately 75% of GHG emissions (Energy, Coal Mining, Upstream Oil & Gas, Car Manufacturing, Cement, Steel, Airlines and Shipping) against various climate scenarios (SDS, B2DS, NPSRTS, CPS).</p> <p>Our assessment was conducted on the exposure of our corporate lending portfolio, which corresponds to 27% of Bancolombia's total lending portfolio, Personal and SME lending was excluded due to lack of information and low exposure to high carbon assets.</p>
Investing (Asset manager)	Minority of the portfolio	Qualitative and quantitative	We have carried out some climate related and scenario assessments on some portfolios accounting 1% of our assets under management in order to identify their alignment on a temperature specific increasing path and their financial repercussions due to investments on carbon

			intensive companies. These assessments have been done based on MSCI's climate value at risk methodology and the 2 degrees PACTA tool, as well as some other with MSCI's ESG ratings data.
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C-FS2.2d

(C-FS2.2d) Do you assess your portfolio's exposure to water-related risks and opportunities?

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	No, but we plan to do so in the next two years		<p>The primary uses of freshwater in our direct operations and our indirect operations (i.e. value chain) are employee consumption, sanitation, cooling and landscaping. During the development of its operations. Bancolombia does not require high consumption of water; however, we are aware of the importance of water and we have committed to the CEO Mandate for Water, an initiative that proposes work in 6 areas and relevant actions have been implemented for each area. In order to efficiently use the water resource, we have a documented Water Management Model, through which mechanisms are defined to promote control in consumption measurements, installation of more efficient devices, adjustment in flow rates, among other initiatives. We have established a corporate water reduction target for the year 2020, which already has been met.</p> <p>To date, we have not portfolio's exposure to water-related risks and opportunities, however we plan to do so in the next two years.</p>
Investing (Asset manager)	Yes	Minority of the portfolio	<p>As PRI signatories and on behalf of our fiduciary duty with our costumers we have been incorporating ESG criteria on our investment processes. On this route, we have developed some investment products with portfolios built up based on positive screening and full ESG integration methodologies. On this process, we assess our water related risk and opportunities based on the MSCI's ESG rating scores and data, which on the environment pillar incorporates a metric of water stress which accounts for the extent to which companies' operations are located in geographies projected to experience water stress and water scarcity (assessed at facility-, basin- and country-level), the extent to which</p>

			companies' primary business lines are water-intensive and efforts to reduce exposure through employing water-efficient processes, alternative water sources, and water recycling.
Other products and services, please specify			

C-FS2.2e

(C-FS2.2e) Do you assess your portfolio's exposure to forests-related risks and opportunities?

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	No, but we plan to do so in the next two years		<p>Bancolombia recognizes that Stopping deforestation and the conversion other natural ecosystems is vital to significantly reducing greenhouse gas emissions and the loss of natural capital.</p> <p>Although to date Bancolombia has no portfolio's exposure to forest-related risk , we include some forest risks in our environmental and social risk assessment policy. In the same way, we have a Corporate Policy on Controversial Financing Issues whose goal is to define the activities and assets that will not be financed due to their high environmental and social impact; we have an exclusion list and some financing and investment conditions in economic sectors among others with high environmental and social impact. We do not finance projects related with Commercial operations of forest harvesting or the purchase of equipment for those ends, aimed to be used in virgin humid tropical rainforests, i.e., those relatively intact or that have not been considerably modified by human activity in the last 60 to 80 years.</p>
Investing (Asset manager)	Yes	Minority of the portfolio	<p>As PRI signatories and on behalf of our fiduciary duty with our costumers we have been incorporating ESG criteria on our investment processes. On this route, we have developed some investment products with portfolios built up based on positive screening and full ESG integration methodologies. On this process, we assess our biodiversity and land use related risk and opportunities based on the MSCI's ESG rating scores</p>

			and data, which on the environment pillar incorporates a metric of land use and biodiversity loss which accounts for the extent of a company operations in regions with fragile ecosystems, of a company operations that involve significant disturbances of land or marine areas and efforts to reduce land or marine disturbances, increase biodiversity protection, engage community stakeholders.
Other products and services, please specify			

C-FS2.2f

(C-FS2.2f) Do you request climate-related information from your clients/investees as part of your due diligence and/or risk assessment practices?

	We request climate-related information	Please explain
Bank lending (Bank)	Yes, for some	<p>Bancolombia, committed to responsible and sustainable financing, has adopted the Equator Principles of the World Bank and the Performance Standards of the International Finance Corporation - IFC, as applied standards to identify, evaluate and manage risks and environmental and social impacts implied within the operations and projects we finance. Its scope of application is the assessment related to the environment and natural resources, climate change, community health and safety, ethnic minorities, human rights and work safety, , both in ordinary projects and operations as well as in Project Finance, Corporate Credits, Bridge Loans and Financial Advisory, in the units of Business Banking and Government, SME Banking, Investment Banking, Leasing operations and receipt of guarantees and payments, preventing the risks associated with environmental liabilities in real estate where activities sensitive to environmental impacts are carried out.</p> <p>Regarding the socio-environmental risk analysis, the scope of Business and Corporate Banking is maintained, reducing the amount required for the evaluation of environmental and social risk, for operations over US \$ 2,300,000 and emphasizing the sectors: (i) Mining; (ii) Energy; (iii) Tanneries; (iv) Cement; (v) Hydrocarbons and Gas; (vi) Iron and steel; (vii) Chemicals and Agrochemicals; (viii) African Palm. In the same way, these sectors apply to financial operations of SME Banking and Leasing</p>

		<p>products.</p> <p>Productive sectors other than those mentioned and which also have the potential to present socio-environmental risks and which may affect the payment of credit are also considered. These sectors are also subject to authorizations, approvals, licenses and environmental permits from local and national authorities. Some of these sectors are: (i) Drinking Water and Basic Sanitation (sewage and cleaning); (ii) Transportation and storage of dangerous substances; (iii) Food sector; (iv) Animal feed production plants; (v) Sugar mills (vi) Animal slaughter plants and petting farms for commercial purposes; (vii) Road, airport and port infrastructure; (viii) Poultry and Pig Industry; (ix) Clothing and textile plants; (x) Forest activities; (xi) Fishing and tuna; and (xii) Glass plants. For these sectors, environmental and social risk assessments are carried out at the request of commercial managers, approval entities, credit risk managers, legal areas, assets, compliance, customer engagement and sustainability.</p>
Investing (Asset manager)	No, but we plan to do so in the next two years	On our ESG investment process, we rely on 3rd party and public data in order to allocate assets on our portfolios, however, we have been working on and engagement and proxy voting process, as well as on an internal ESG rating methodology. This work provides us a defined route to start requesting climate-related and ESG information directly to investees in the near future.
Other products and services, please specify		

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Technology
Transitioning to lower emissions technology

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification

Credit risk

Company-specific description

There is a risk related with the cost of transition to lower emission economy. By the side of our clients the cost to transition to lower emission economy would affect or reduce demand for product and services offered by Bancolombia.

The Colombian Strategy for Low Carbon Development (ECDBC) is a program of development planning in the short, medium and long term led by the Ministry of Environment. The ECDBC seeks national economic growth decouple growth of GHG emissions maximize achieving carbon-efficiency of economic activity and contributing to the national social and economic development.

This strategy comes with some changes in carbon taxes regulation in Colombia, since January 2017 the law came with a new tax for our costumer increasing their operating cost for those highly demanding fossil fuels in their operation. This new tax represents a risk for Bancolombia's business since it would affect the payment capacity of our customers.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

3,800,000,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

In financial terms, this risk would mean losing or decreasing our current market share in green credits, which represent more than COP 865.000 million in sustainable business. However, even more significant, it implies not being able to carry out the financing of the projects that we currently have in pipeline related to renewable energy and energy efficiency issues, which represent more than 3.8 trillion COP

Cost of response to risk

300,000,000

Description of response and explanation of cost calculation

Business strategy integrates Bancolombia policies, as part of its inputs for structuring products. To complement this, it has a legal department that directs appropriate areas with current regulations. For issues related to climate change or environmental issues, it was created a interdisciplinary groups for Sustainability analysis and standards, supported by interest groups and good relationships with the national government to identify risks and opportunities. It is reported through business alerts by the sales teams, allowing us to lead the financial market by creating and offering innovative financial products. In order to minimize the risk, during 2017 we continue with our Green credit line focusing on cleaner production, energy efficiency, renewable energy generation, sustainable construction and sustainable mobility. We also are participating in the cluster of electric energy which seek to identify synergies to improve the competitiveness of enterprises through the implementation of energy efficiency projects. That management methodology also includes events of sector knowledge for our customers on climate variability, energy efficiency, solar energy generation, among other. In 2019, we developed a total of 27 knowledge events for our customers, where we presented our sustainable business model, our green credit lines of as well as the amount of technical support provided by the entire Bancolombia Group. These events were attended by approximately 2000 clients.

Cost of management includes: event logistics, internal staff training, alliances with technical experts and technology suppliers to support our customers in the development of projects. sponsorship of fairs and industry events.

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Technology

Substitution of existing products and services with lower emissions options

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification

Credit risk

Company-specific description

Decree 0549/2015. Sustainable Building Decree seeks to implement sustainable construction, modification, remodelling or adaptation measures for buildings in order to reduce demand on water and energy. Said measures will be implemented nationwide on all new buildings that require a building license in a mandatory manner, the measures will be gradually implemented in each city and district according to number of inhabitants. Said regulation has the following potential impacts on the company: If Bancolombia does not establish a swift product creation strategy that seeks to finance this kind of projects, there is a wasted opportunity for new revenues.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1,040,000,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

If Bancolombia does not establish a swift product creation strategy that seeks to finance this kind of projects, there is a wasted opportunity for new revenue streams. In financial terms, this risk would mean losing or decreasing our current market share which representing 25%. Since the creation of sustainable construction credit and as of December 31, 2019, Bancolombia granted loans worth COP 1.04 trillion in sustainable construction.

Cost of response to risk

150,000,000

Description of response and explanation of cost calculation

The most effective way to demonstrate our commitment to sustainable construction is to demonstrate it in our own offices and headquarters. Several of our office's branches

have been built based on sustainable construction criteria, including our Carvajal office branch in Bogotá. Which has reduced its water and energy consumption by 46% and 56% respectively, compared to other offices branches of a similar size and characteristics. During 2019 we got the EDGE certification of our administrative building "Torre oriente". It generates savings over the standard, 46.37% in energy, 37.62% in water and 36.4% in the energy embedded in materials. For our clients, we continue with the credits of sustainable construction, for the builder and the final buyer through different products like Sustainable housing. During 2019, 22 approved projects with sustainability certifications amounting to 471,000 million COP have been financed. Sustainable housing credit: Credit rate benefit during the first 7-year for the purchase of sustainable housing. 163 customers with sustainable housing credit of COP 35.219 million.

Direct costs for Bancolombia mainly involve the cost of designing specific products for sustainable construction. The strategy also included events for clients. We launched the Sustainable Construction strategy under an alliance with the International Finance Corporation (IFC), through which we developed 4 trainings for our commercial Construction team, a special event for our construction segment customers called "Business challenges and opportunities in Sustainable Construction" and we provided advice to 7 customers' projects to identify opportunities to include sustainability in their construction projects.

Comment

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Market

Changing customer behavior

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification

Market risk

Company-specific description

The concern about a sustainable future has created awareness in the society, which makes our clients to demand products and services aligned with this issue. That is the reason why Bancolombia must be aware of those changes on consumer behaviors and need in order to offer innovative services that meet those requirements. Therefore as a

global financial services provider whose clients also include other large financial service organizations, any “other” undefined or unknown negative impact resultant from climate change that adversely affects our clients and employees, could in turn negatively impact our operations, reputation, and the demand for our services affecting the consumer behavior.

Time horizon

Medium-term

Likelihood

About as likely as not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

865,000,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

There are possible financial implications to our company if we are unable to fulfil our commitments to reduce our operational environmental impacts; effectively integrate climate change considerations in our lending and investment activity, or do not provide transparency of our areas of action. The estimated financial implications would be COP 865.000 million, accounting for the financing that we generated in 2019 in sustainable business.

Cost of response to risk

30,000,000

Description of response and explanation of cost calculation

Bancolombia promotes sustainable investments that improve resource efficiency and reduce environmental impacts through different trade instruments : - The Green credit line for businesses and Sufi third-part channels for person to finance the purchase (or leasing) of more environmentally friendly vehicles , electric motorcycles, electric bicycle and reforms at home with the aim to improve energy efficiency and to reduce GHG emissions. With these action we increase the likelihood and the potential of increasing the demand of our clients.

Direct costs for Bancolombia mainly involve the cost of designing specific products for renewable energy and emissions reductions. These costs are not significant at group level. The cost of training personnel to sell the product nears the COP 30 million

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient modes of transport

Primary potential financial impact

Other, please specify

Benefits to workforce management and planning (e.g., improved health and safety, employee satisfaction resulting in lower cost)

Company-specific description

The central office of Bancolombia is located in Medellín and you have approximately 5,000 employees.

Medellín is a city that due to its topographic characteristics and population has been experiencing problems of environmental pollution, being mobility one of the main factors that contributes to the problems of contamination.

The local government through resolution 1379 of 2017, required all public and private organizations in the jurisdiction of the Metropolitan Area of the Aburra Valley that have more than 200 employees (direct and indirect) should implement the MES Plan (Sustainable Mobility Plans). It is a plan that allows companies to identify the environmental generated by the travel of its employees to and from its workplace, and to develop mobility strategies that reduce the impact on air quality and the use of urban space, from reducing fuel consumption, the number of trips made by employees, the use of alternative more efficient mobility and reducing emissions.

Bancolombia mobility plans not only includes Medellín but also Bogotá (the second main

office) and includes some strategies like teleworking, a car pooling program, among others.

It was an opportunity to Bancolombia in order to implement more efficient modes of transport benefiting its workforce (improve health and safety, economy, etc). it also brings other benefits to the organization: Raising the productivity of the organization. Image enhancement to the community. Creating an environment more friendly and healthy work environment. Lower labour desertion. Optimization of infrastructure of the organization. Decreased logistics costs and fuel. Strengthening environmental sustainability programs and organizational social responsibility. Contribution of the organization in reducing emissions.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

262,349,545

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Once the person is registered in the application, they are surveyed asking for the means of transport they usually use to commute. Each means of transport has an assigned cost according to the average travel times of the city and the medium itself. Once a connection is generated (it means, a connection using the App to share the car or to use a different way of transportation), the cost is changed to "zero" for the person who is changing their mode of transport and the application includes an algorithm that allows us to calculate the savings of people according to the connections.

Cost to realize opportunity

128,000,000

Strategy to realize opportunity and explanation of cost calculation

We have implemented the sustainable mobility strategy for employees in Medellin and its metropolitan area, with our ally Try My Ride, a platform which allows sharing itinerary on different transportation media (walk, bike, shared car, corporate van).

- More than 5,700 registered users.
- 126 tons of CO2 reduction.
- A saving of COP 262,349,545 billion for our employees.
- Over 1,000 hours of displacement saved.

More than 7,072 hours saved in commuting

- 93,291 Km traveled by bicycle, 2,015,633 Km by car and 112,352 Km walking.

Cost of management are paid by Bancolombia and corresponds to the right of use of the application Try my Ride. The App usage is free for employees.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of lower-emission sources of energy

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

There is a law in Colombia, Law 1715 of 2014 which aims to promote development and usage of non-conventional energy sources, mainly those of a renewable character in the national energy system, through its integration in the electric market. It represents an opportunity to implement energy efficiency projects at the same time saving operating cost. Opportunities arise to establish branches with efficient technology (solar energy is not interconnected to the network, use of rainwater, water purification systems) that should occur a situation that disrupts the normal conditions of the provision of financial services, technology they may be useful.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

964,038,354

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

To attend the opportunity Bancolombia has implemented an energy efficiency and renewable energy program that includes its operation in Colombia, Panama, El Salvador and Guatemala.

In this sense, we have invested in the generation of renewable energy. In El Salvador we have 283 solar panels with a real effective generation in the year of 143,991 KWh, while in Colombia we have 49 kWp of installed power in the Torre Oriente building, which during 2019 produced a total of 60,941 kWh through solar panels equivalent to 4.45%

of the building's consumption, and we started the installation of 700 kWp in the General Directorate building, which will start operating in 2020, which corresponds to 15% of its total energy consumption. Additionally, 44% of the total consumption of our energy supplied by the network has Renewable Energy Certificates (iRECs), which guarantee zero emissions for a total of 31,968,072 kWh per year corresponding to a certification of 32,065 MKh issued by Empresas Públicas de Medellín (EPM).

Cost of management includes the implementation of energy efficiency actions described above.

The approximate potential financial implications of this opportunity is related with energy saving, which during 2019 it was 4.5% (representing 1.875.561 kWh/year of energy savings) of our total energy expenditure which equates to COP 964.038.354 / year in savings.

Cost to realize opportunity

2,853,000,000

Strategy to realize opportunity and explanation of cost calculation

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

The opportunities identified in relation to climate change have impacted the products and services provided by Bancolombia. From the opportunities, climate change has allowed the creation of new financing products aimed to mitigate climate change, such as the green line, which applies to energy efficiency, renewable energy, sustainable mobility, cleaner production and sustainable construction. There is a growing demand for products and services that allow customers to transition to a low carbon economy and allow them to implement energy efficiency and renewable energy projects

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

3,800,000,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

We estimate the possibility of COP 3.8 trillion in additional renewables energy business towards our environmental business initiative over the next year from this opportunity

Cost to realize opportunity

300,000,000

Strategy to realize opportunity and explanation of cost calculation

Business strategy integrates Bancolombia policies, as part of its inputs for structuring products. To complement this, it has a legal department that directs areas with current regulations. For issues related to environment or climate change, we create interdisciplinary groups for Sustainability analysis, supported by stakeholders to identify

risks and opportunities. It is reported through business alerts by the sales teams, allowing us to lead the financial market by creating and offering innovative financial products. During 2019 we continued with our sustainable business initiatives, providing our financial services and technical assistance to clients. Our Green credit line is focused on cleaner production, energy efficiency, renewable energy generation, sustainable construction and mobility. Together with our strategic allies we hold events on topics such as climate change, Energy efficiency among other topics. Since the creation of Bancolombia Green Line from September 2014 to December 31st 2019, we have financed projects for COP\$ 346,224 million. We also conduct visits to identify opportunities for improvement in the same topics.

Cost of management includes event logistics, internal staff training, alliances with technical experts and technology suppliers to support our customers in the development of projects. sponsorship of fairs and industry events.

Comment

Identifier

Opp4

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Decree 0549/2015. Sustainable Building Decree seeks to implement sustainable construction, modification, remodeling or adaptation measures for buildings in order to reduce demand on water and energy. Said measures will be implemented nationwide on all new buildings that require a building license in a mandatory manner, the measures will be gradually implemented in each city and district according to number of inhabitants. For Bancolombia this Decree represent an opportunity for Bancolombia to create new products like green mortgage and to increase the share market that we already have in the construction sector.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

471,000,000,000

Potential financial impact figure – minimum (currency)**Potential financial impact figure – maximum (currency)****Explanation of financial impact figure**

The potential financial implication for Bancolombia is estimated based on our market share in the construction sector. Currently Bancolombia has 25% share of the property and construction banking market. Since the creation of sustainable construction credit and as of December 31, 2019, Bancolombia granted loans worth 471.000 COP million in sustainable construction.

Cost to realize opportunity

150,000,000

Strategy to realize opportunity and explanation of cost calculation

The most effective way to demonstrate our commitment to sustainable construction is to demonstrate it in our own offices and headquarters. Several of our office's branches have been built based on sustainable construction criteria, including our Carvajal office branch in Bogotá. Which has reduced its water and energy consumption by 46% and 56% respectively, compared to other offices branches of a similar size and characteristics. During 2019 we got the EDGE certification of our administrative building "Torre oriente". It generates savings over the standard, 46.37% in energy, 37.62% in water and 36.4% in the energy embedded in materials. For our clients, we continue with the credits of sustainable construction, for the builder and the final buyer through different products like Sustainable housing. During 2019, 22 approved projects with sustainability certifications amounting to 471,000 million COP have been financed. Sustainable housing credit: Credit rate benefit during the first 7-year for the purchase of sustainable housing . 163 customers with sustainable housing credit of COP 35.219 million.

Direct costs for Bancolombia mainly involve the cost of designing specific products for sustainable construction. The strategy also included events for clients.

We launched the Sustainable Construction strategy under an alliance with the International Finance Corporation (IFC), through which we developed 4 trainings for our commercial Construction team, a special event for our construction segment customers called "Business challenges and opportunities in Sustainable Construction" and we

provided advice to 7 customers' projects to identify opportunities to include sustainability in their construction projects.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative and quantitative

C3.1b

(C3.1b) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
2DS IEA B2DS IEA NPS IEA CPS	<p>On February 2019 we began working with 2° Investing Initiative in a pilot project to road-testing the PACTA methodology for climate scenario analysis. The objective of the assessment framework was to measure the alignment of financial portfolios with 2°C decarbonisation pathways. Specifically, the framework quantifies a financial portfolio's exposure to a 2°C benchmark in relation to a series of climate-related technologies. The result is thus a misalignment indicator that measures the extent to which current and planned assets, production profiles, investments, and GHG emissions are aligned with a 2°C trajectory.</p> <p>The model assessed the 2°C alignment of financial portfolios with a 5-year time horizon / forecast period. The time horizon is limited to the time horizon of capital expenditure planning for which data can be tracked at a meaningful level. More long-term assessments are planned as the model gets extended to risk-related indicators, requiring a set of additional assumptions. We measured the exposure of our AUM to assets in the most carbon intensive sectors in the economy that account for approximately 75% of GHG emissions (Energy, Coal Mining, Upstream Oil & Gas, Car Manufacturing, Cement, Steel, Airlines and Shipping) against various climate scenarios (SDS, B2DS, NPSRTS, CPS).</p>

	<p>Our assessment was conducted on the exposure of our corporate lending portfolio, which corresponds to 27% of Bancolombia's total lending portfolio, Personal and SME lending was excluded due to lack of information and low exposure to high carbon assets. As a result, we found that only 5% of our corporate credit portfolio is exposed to carbon intensive assets in the industries covered by the PACTA Methodology</p>
Nationally determined contributions (NDCs)	<p>The climate related scenarios have been selected based on a careful review of assumptions and parameters of the available national and international climate scenarios. From this review we have prioritized those that respond from a technical standpoint to Bancolombia's vision for a low carbon and resilient development.</p> <p>Among the most relevant assumptions we have considered for our organization is a combined analysis of energy supply and demand which if managed correctly would lead to a GHG reduction of up to 60% by 2050. In addition, to consider a national scenario, allows us to align our emissions reduction targets with the national target of reducing national GHG emissions by 20% in 2030. The scenario analysis of Colombia's national contribution included macro-economic assumptions, demographic variables, national economic growth and future legislation and policies with a potential impact in emission intensive sectors in the country.</p> <p>The time horizon for the scenarios we have prioritized provides us a short term analysis for the year 2020, medium term for 2030 and long term for 2050, given global challenges identified in the 2DS scenario and in the growth and behavior scenarios used in Colombia's NDC with regards to the Paris agreement. This keeping in mind the fact that we have defined clear targets on energy reduction, waste, and water optimization by the year 2020.</p> <p>For our quantitative analysis, we have considered that under the assumptions of the 2DS scenarios we have to set a path towards innovative product and service design for the use of sustainable energy systems that can be safe and affordable for our clients. However, this too will be influenced by complementary regulatory frameworks and political influence that we are willing to take part of.</p> <p>In order to build the scenario we included commercial and professional teams of the organization, including sustainability, risks and commercial teams, which are pivotal in the planning and execution of present and future actions with regards to climate change.</p> <p>Among the results of the qualitative analysis we conclude that there is a strong relationship between both selected scenarios and our Science Based Target, where we aim to reduce our combined Scope 1+2 GHG emissions by 25% in 2030 and a 57% reduction of said emissions by 2050. Both of these targets are</p>

	<p>consistent with the assumptions of the 2DS scenario of 60% reductions in emissions by 2050. Furthermore, from the scenario analysis we seek the application of scenario assumptions in the context of our organization from an impact and opportunity vision in order to implement actions in risk management, sustainable business and the promotion of sustainability and reputation.</p> <p>Now, in this scenario analysis we find with optimism that many of the proposed measures by our national government in their NDC scenario match our current framework which includes financial instruments of national coverage for financing mainly in sustainable buildings, assets for energy efficiency assets and non-conventional energies, sustainable mobility, cleaner production, among others.</p> <p>This being our first approximation to climate scenario analysis, we would like to call attention that since Colombia published their emissions reduction scenario, we have coordinated internal actions to effectively respond to the challenges that climate change management proposes, starting by strengthening of our technical environmental and social risk teams which currently has experts that execute analysis and integrate overall climate management in other areas of the organization.</p>
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C3.1d

(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	<p>The risks and opportunities identified in relation to climate change have impacted the products and services provided by Bancolombia. From the opportunities, climate change has allowed the creation of new financing products aimed to mitigate climate change, such as the green line, which applies to energy efficiency, renewable energy, sustainable mobility, cleaner production and sustainable construction. this line supports our client for its transition to a low-carbon economy. Since the creation of Bancolombia Green Line from September 2014 to December 31st 2019, we have financed COP\$ 865,469 million Colombian pesos.</p> <p>In 2019 we made the decision to issue our third and largest sustainable bond to date totaling COP \$657.000 million in aggregate principal amount. With this offering, Bancolombia</p>

		became the first colombian financial institution to issue three corporate green/sustainable bonds, raising a total of COP \$1.3 billion for green and social projects.
Supply chain and/or value chain	Yes	<p>In Bancolombia we engage with our suppliers in climate change issues through various initiatives, including our Sustainable Procurement Policy, where among others, climate related issues are included in every Request For Proposal, where there is an environmental component that every aspiring supplier must complete to be even considered. Also, Bancolombia has an implemented Supplier Development program, in association with B Lab, using their B Impact Assessment, where on a yearly basis we evaluate in sustainability performance, our top suppliers by procurement and our critical suppliers in environmental and social issues, as example, for the reporting year 108 suppliers, covering 57% of the procurement of the year. The assessment includes a climate change chapter that covers GHG emissions reporting for said suppliers. Furthermore, Bancolombia holds several supplier training events on various topics, including sustainability and climate change strategies. To define the suppliers to engage there is a formalized process for assessing risks in the supply chain, the implemented methodology includes environmental risks, which includes climate change risk. Success metrics in supplier engagement with our climate change strategy is measured in the supplier development program evaluating the number of suppliers that present an overall improvement in sustainability performance. We have found that 62% of suppliers that have been part of the development program for two years and 70% for three years, have had an overall improvement on their sustainability performance, this includes their performance in governance, environmental, workers, and community indicators. The average score of our supplier portfolio for 2019 was 65,5 points, the same average for 2018 was 79,3 points. Through this engagement we were able to identify new sources of measurable scope 3 GHG emissions to report in the future.</p>
Investment in R&D	Yes	<p>The risks and opportunities identified have allowed new investments in research and development for Bancolombia, which in terms of climate change are related to the use of more efficient technologies in terms of energy and the use of renewable energy sources. There is an internal team dedicated to research and develop new technologies through pilot tests. Once the pilot is approved, the</p>

		implementation is carried out in all the facilities in which the technology is applicable. Investigations and implementations in energy efficiency have allowed us to save an additional amount of energy for more than 1.900.273.291 COP.
Operations	Yes	Climate change has impacted Bancolombia's operations, both from the risks and from the opportunities. Business continuity is the main risk identified related to climate change. We identify and assess direct physical risks from extreme weather events. Since Bancolombia has 817 branches and 4307 ATMs in different localities of Colombia, a country with different thermal zones and surrounded by two oceans, there could be climate change events that have as a consequence financial service interruptions (branches and ATMS) due to damages caused inside the facilities, interruption of public services supply or employees unable to commute. We have defined a program that assures the definition, planning, implementation and proof of business continuity strategies, which will allow us to be prepared to accurately and opportunely attend the events that might interrupt the service provision and the promises made to our clients, which include climate change matters. The BCP (Businesses Continuity Plan) is composed by the following fronts: people, processes, infrastructure and technology. a. People front Master plan of Emergency attention (Plan Maestro de Atención de Emergencias (PMAE)) (Please find attached document): The Human Management vice-presidency, through the Life Quality area, defines the PMAE, which is about previously disposed protocols and resources system to move the employees from an administrative building or a branch where a risk has been materialized, to a safe place, with support of expert groups (supporting group of people recovering) in order to guarantee their protection and integrity. The responsible of the areas designate people for the support group and facilitate their training and participation.

C3.1e

(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.

Financial planning elements that have been influenced	Description of influence

Row 1	Revenues Direct costs Access to capital	<p>Understanding that companies are under greater consumer scrutiny, and our stakeholders, demand a greater commitment to sustainability, in 2019 we signed Bancolombia's adherence to the United Nations Principles of Responsible Banking, and we actively participated in the construction of a global strategy that seeks to mobilize resources from the private sector to finance the 17 Sustainable Development Goals (SDGs), to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. Likewise, we committed ourselves to setting specific actions and goals aimed at helping to mitigate global warming, so that the increase in temperature to 2050 does not exceed 1.5 degrees Celsius.</p> <p>Integration of environmental and climate-related risks and opportunities into our financial planning is carried out taking into account the ESG Governance established in Bancolombia, which states that The Executive Committee of the Presidency of Bancolombia acting as the Sustainability Committee exercises the Climate Change Governance of the Bancolombia Group and will have its highest advisory body in the Bancolombia Board of Directors through the Corporate Governance and Corporate Risks committees. This Committee makes recommendations to the company's management team and board of directors. This structure ensures that ESG issues including those raised by external stakeholders, are integrated into our core business decisions and are reviewed and managed at the highest levels of the company.</p> <p>There are several examples of how our business strategy has been influenced by climate change:</p> <p>-Since 2016 we have been consolidating our sustainable funding strategy. To date we have had three green and sustainable bond issues for a total amount of COP1.3 billion. These issues were made both in the secondary market and in the primary market, with international buyers such as IFC and the Inter-American Development Bank - IDB. In accordance with the provisions of the Green Bond Principles standard. As a further example, we incorporated a climate change position into our Environmental and Social Risk Framework, updated in 2019, which provides clarity and transparency on how we identify, evaluate, measure and control environmental and social risks throughout our business.</p>
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C3.1f

(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

Within the Bancolombia Group, we have a sustainability strategy base a management model, that allows monitoring the evolution of the initiatives in the economic, environmental, and social dimensions, with support from different Vice Presidents of businesses: administrative, financial, human management, among others. Within the environmental scope, we have eco-efficiency strategies,

sustainable businesses, analysis of environmental and social risks, environmental management models and climate change

strategies. Short and long-term business strategy has been influenced by climate change in the following aspects:

- a. to generate the value offer for our clients we research information about economic sectors and the portfolios and investments that we have with them, we identify the geographic and climatic zones and the climate change risks associated, in this way we may be aware of the risk exposition and we generate products to meet the specific needs.
- b. We identify regulatory changes that might affect our operations and we make the necessary investments in order to comply with the law. We also evaluate the legislation that could affect our clients and we define or adapt new products in order to finance the projects to comply with the law and contribute to climate change adaptation and mitigation.
- c. Climate change has influenced the creation of special products in order to satisfy the market's needs. With the creation of these products we have become the leader bank which makes us more attractive to our clients and generates a strategic advantage towards our competitors.
- d. at the time of making investment decisions, we take into account risks and opportunities regarding climate change, as one of the guidances of responsible investment principles.
- e. in our sustainable business strategy we make specialized technical advice to our clients where financing opportunities for climate change mitigation and adaptation are evaluated.
- f. we analyse environmental and social risks of our clients, on this assessment, climate change variables, such as green house emissions and client vulnerability, are evaluated, which leads to make decisions about financing.
- i. we analyse environmental and social risks of our suppliers, on this assessment, climate change variables, such as green house emissions and vulnerability, are evaluated, which leads to make decisions about purchase continuity.
- j. we have developed eco-efficiency corporate goals in order to reduce our carbon footprint by 2020. These goals include water, paper and energy savings
- h. we have a sustainable purchase policy, on which climate change variables are included in the selection of new suppliers, furthermore, we have criteria for the purchase of different supplying looking for causing the lower environmental impact possible.
- j. we contribute to the good reputation of Bancolombia, through the creation of a standard model of a sustainable branch, this model has been exposed to other financial entities, and to our clients and suppliers, in order to encourage them to adopt such strategies to reduce energy and water consumption and waste generation.
- k. we have implemented a campaign for our clients to reduce physical documents and the paper that is delivered in our operations,

seeking to make more virtual transactions and to avoid solid waste generation and paper and energy consumption.

Our focus of climate change strategy is the following: 1. to continue developing products and services that support clients on their response and management of climate change (We also set up our own green line of credit aimed at projects involving cleaner production, energy efficiency, business construction, and renewable energy, thereby complementing our existing portfolio of products and services provided by development banking, last year we issued the second green bond certified by the green bond principle methodology, these bonds seek to leverage green building and renewable energy projects; 2. to keep on developing our comprehension and risks and opportunities management regarding climate change; 3. to share our neutral carbon experience and to encourage others to implement sustainable practices, starting this year there will be a new carbon law that requires companies to start measure, mitigate and compensate their carbon footprint, therefore, we already have planned events to share information and show the different ways of compensating and 4. to involve our people and help them with their daily actions.

C-FS3.2

(C-FS3.2) Are climate-related issues considered in the policy framework of your organization?

Yes, climate-related issues are integrated into our general policy framework that relates to our financing activities

C-FS3.2a

(C-FS3.2a) In which policies are climate-related issues integrated?

	Type of policy	Portfolio coverage of policy	Description
Bank lending (Bank)	Credit policy Risk policy Policy related to other products and services Engagement policy	Minority of the portfolio	There are many commitments and adhesions made by Bancolombia that have promoted the integration of climate-related issues into the policy framework of the organization. Bancolombia has adopted the Equator Principles of the World Bank and the Performance Standards of the International Finance Corporation - IFC. In 2019 we signed Bancolombia's adherence to the United Nations Principles of Responsible Banking, and we actively participated in the construction of a global strategy that seeks to mobilize resources from the private sector to

		<p>finance the 17 Sustainable Development Goals (SDGs), to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. Likewise, we committed ourselves to setting specific actions and goals aimed at helping to mitigate global warming, so that the increase in temperature to 2050 does not exceed 1.5 degrees Celsius.</p> <p>Credit/lending and risk policy: Bancolombia has a general Environmental Management Policy which includes issues related to direct operation and issues related to financing. Financing is covered by the Environmental and Social Risk Assessment Policy. Its scope of application is the assessment related to the environment and natural resources, climate change, community health and safety, ethnic minorities, human rights and work safety, , both in ordinary projects and operations as well as in Project Finance, Corporate Credits, Bridge Loans and Financial Advisory, in the units of Business Banking and Government, SME Banking, Investment Banking, Leasing operations and receipt of guarantees and payments, preventing the risks associated with environmental liabilities in real estate where activities sensitive to environmental impacts are carried out.</p> <p>Regarding the socio-environmental risk analysis, the scope of Business and Corporate Banking is maintained, reducing the amount required for the evaluation of environmental and social risk, for operations over US \$ 2,300,000 and emphasizing the sectors: (i) Mining; (ii) Energy; (iii) Tanneries; (iv) Cement; (v) Hydrocarbons and Gas; (vi) Iron and steel; (vii) Chemicals and Agrochemicals; (viii) African Palm. In the same way, these sectors apply to financial operations of SME Banking and Leasing products.</p> <p>Productive sectors other than those mentioned and which also have the potential to present socio-environmental risks and which may affect the payment of credit are</p>
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			also considered. These sectors are also subject to authorizations, approvals, licenses and environmental permits from local and national authorities. Some of these sectors are: (i) Drinking Water and Basic Sanitation (sewage and cleaning); (ii) Transportation and storage of dangerous substances; (iii) Food sector; (iv) Animal feed production plants; (v) Sugar mills (vi) Animal slaughter plants and petting farms for commercial purposes; (vii) Road, airport and port infrastructure; (viii) Poultry and Pig Industry; (ix) Clothing and textile plants; (x) Forest activities; (xi) Fishing and tuna; and (xii) Glass plants. For these sectors, environmental and social risk assessments are carried out at the request of commercial managers, approval entities, credit risk managers, legal areas, assets, compliance, customer engagement and sustainability.
Investing (Asset manager)	Sustainable/Responsible Investment Policy	All of the portfolio	<p>As stated on our Responsible investment Policy: "ESG performance of issuers will be monitored from the research developed in house from Bancolombia teams and from data provided by specialized suppliers. This analysis is oriented to identify relevant themes to issuer performance on environmental social or economic aspects, adjusted accordingly to the industries that companies are a part of and the material issues associated with each sector of the economy.</p> <p>In the environmental aspect we will assess practices associated with: Legal compliance, environmental management systems, Eco-Efficiency, business risks and opportunities, climate change strategy, environmental reporting, among others."</p>
Other products and services, please specify			

C-FS3.3

(C-FS3.3) Are climate-related issues factored into your external asset manager selection process?

Not applicable, because we don't have externally managed assets

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2018

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2017

Covered emissions in base year (metric tons CO₂e)

24,941

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2030

Targeted reduction from base year (%)

25

Covered emissions in target year (metric tons CO₂e) [auto-calculated]

18,705.75

Covered emissions in reporting year (metric tons CO₂e)

16,767

% of target achieved [auto-calculated]

131.0933803777

Target status in reporting year

Achieved

Is this a science-based target?

Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

Please explain (including target coverage)

In order to do our part we have adhered to the Science Based Targets initiative, where we have committed to define greenhouse gas emission reduction targets that are in line with currently available climate scenarios in order to avoid an increase in global temperature above two degrees Celsius.

We have taken a first step by defining reduction targets for our direct and indirect (Scope 1 and 2) GHG emissions by 2020, 2030 and 2050 at a corporate level, including our global operations where we have operational control (Colombia, Panama, El Salvador and Guatemala). Said Scope 1 and 2 emissions correspond to approximately 90% of our total Greenhouse Gas Emissions.

This Target is not verified by the SBTi and our scope 3 emissions are excluded from the definition of our Science Based Target, since a unified methodology is currently being developed so that financial institutions can develop emissions reduction targets associated with their lending and investment activities, which are the most significant for our industry, at this stage our targets will undergo verification by the SBTi.

Our first challenge, to reduce our Scope 1+2 emissions by 10% below 2010 levels in 2020 was achieved in 2017 and our second challenge, to reduce our Scope 1+2 emissions by 25% below 2017 levels in 2030, was achieved in 2019 derived from the purchase of iRECs certified renewable energy and for the implementation of energy efficiency activities and projects. This will move us closer to our final goal of reducing our 2010 GHG levels by 57% in 2050. To achieve these goals we have set an annual reduction target for our absolute Scope 1+2 emissions of 2,1%..

Target reference number

Abs 2

Year target was set

2018

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2010

Covered emissions in base year (metric tons CO₂e)

28,208

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2050

Targeted reduction from base year (%)

57

Covered emissions in target year (metric tons CO₂e) [auto-calculated]

12,129.44

Covered emissions in reporting year (metric tons CO₂e)

16,767

% of target achieved [auto-calculated]

71.1568697694

Target status in reporting year

Is this a science-based target?

Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

Please explain (including target coverage)

In order to do our part we have adhered to the Science Based Targets initiative, where we have committed to define greenhouse gas emission reduction targets that are in line with currently available climate scenarios in order to avoid an increase in global temperature above two degrees Celsius.

We have taken a first step by defining reduction targets for our direct and indirect (Scope 1 and 2) GHG emissions by 2020, 2030 and 2050 at a corporate level, including our global operations where we have operational control (Colombia, Panama, El Salvador and Guatemala). Said Scope 1 and 2 emissions correspond to approximately 90% of our total Greenhouse Gas Emissions.

This Target is not verified by the SBTi and our scope 3 emissions are excluded from the definition of our Science Based Target, since a unified methodology is currently being developed so that financial institutions can develop emissions reduction targets

associated with their lending and investment activities, which are the most significant for our industry, at this stage our targets will undergo verification by the SBTi.

Our first challenge, to reduce our Scope 1+2 emissions by 10% below 2010 levels in 2020 was achieved in 2017 and our second challenge, to reduce our Scope 1+2 emissions by 25% below 2017 levels in 2030, was achieved in 2019 derived from the purchase of iRECs certified renewable energy and for the implementation of energy efficiency activities and projects. This will move us closer to our final goal of reducing our 2010 GHG levels by 57% in 2050. To achieve these goals we have set an annual reduction target for our absolute Scope 1+2 emissions of 2,1%..

Target reference number

Abs 3

Year target was set

2012

Target coverage

Country/region

Scope(s) (or Scope 3 category)

Scope 3: Purchased goods & services

Base year

2010

Covered emissions in base year (metric tons CO₂e)

1,144

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

60

Target year

2020

Targeted reduction from base year (%)

35

Covered emissions in target year (metric tons CO₂e) [auto-calculated]

743.6

Covered emissions in reporting year (metric tons CO₂e)

797

% of target achieved [auto-calculated]

86.6633366633

Target status in reporting year

Underway

Is this a science-based target?

No, but we are reporting another target that is science-based

Please explain (including target coverage)

This is our Scope 3 target from purchased goods and services from our operation in Colombia

Target reference number

Abs 4

Year target was set

2014

Target coverage

Country/region

Scope(s) (or Scope 3 category)

Scope 3: Purchased goods & services

Base year

2019

Covered emissions in base year (metric tons CO₂e)

39

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

11

Target year

2020

Targeted reduction from base year (%)

18

Covered emissions in target year (metric tons CO₂e) [auto-calculated]

31.98

Covered emissions in reporting year (metric tons CO₂e)

33

% of target achieved [auto-calculated]

85.4700854701

Target status in reporting year

Underway

Is this a science-based target?

No, but we are reporting another target that is science-based

Please explain (including target coverage)

This is our Scope 3 target from purchased goods and services from our operation in Panama

Target reference number

Abs 5

Year target was set

2015

Target coverage

Country/region

Scope(s) (or Scope 3 category)

Scope 3: Purchased goods & services

Base year

2015

Covered emissions in base year (metric tons CO₂e)

63

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

12

Target year

2020

Targeted reduction from base year (%)

10

Covered emissions in target year (metric tons CO₂e) [auto-calculated]

56.7

Covered emissions in reporting year (metric tons CO₂e)

61

% of target achieved [auto-calculated]

31.746031746

Target status in reporting year

Revised

Is this a science-based target?

No, but we are reporting another target that is science-based

Please explain (including target coverage)

This is our Scope 3 target from purchased goods and services from our operation in El Salvador

Target reference number

Abs 6

Year target was set

2019

Target coverage

Country/region

Scope(s) (or Scope 3 category)

Scope 3: Purchased goods & services

Base year

2016

Covered emissions in base year (metric tons CO₂e)

63

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

17

Target year

2020

Targeted reduction from base year (%)

25

Covered emissions in target year (metric tons CO₂e) [auto-calculated]

47.25

Covered emissions in reporting year (metric tons CO₂e)

48

% of target achieved [auto-calculated]

95.2380952381

Target status in reporting year

Revised

Is this a science-based target?

No, but we are reporting another target that is science-based

Please explain (including target coverage)

This is our Scope 3 target from purchased goods and services from our operation in Guatemala

Target reference number

Abs 7

Year target was set

2012

Target coverage

Country/region

Scope(s) (or Scope 3 category)

Scope 3: Business travel

Base year

2010

Covered emissions in base year (metric tons CO₂e)

1,895

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

89

Target year

2020

Targeted reduction from base year (%)

16

Covered emissions in target year (metric tons CO₂e) [auto-calculated]

1,591.8

Covered emissions in reporting year (metric tons CO₂e)

1,715

% of target achieved [auto-calculated]

59.3667546174

Target status in reporting year

Underway

Is this a science-based target?

No, but we are reporting another target that is science-based

Please explain (including target coverage)

This is our Scope 3 target from business travel from our operation in Colombia

Target reference number

Abs 8

Year target was set

2014

Target coverage

Country/region

Scope(s) (or Scope 3 category)

Scope 3: Business travel

Base year

2014

Covered emissions in base year (metric tons CO₂e)

66

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

3

Target year

2020

Targeted reduction from base year (%)

2

Covered emissions in target year (metric tons CO₂e) [auto-calculated]

64.68

Covered emissions in reporting year (metric tons CO₂e)

102

% of target achieved [auto-calculated]

-2,727.2727272727

Target status in reporting year

Underway

Is this a science-based target?

No, but we are reporting another target that is science-based

Please explain (including target coverage)

This is our Scope 3 target from business travel from our operation in Panama

Target reference number

Abs 9

Year target was set

2015

Target coverage

Country/region

Scope(s) (or Scope 3 category)

Scope 3: Business travel

Base year

2015

Covered emissions in base year (metric tons CO2e)

155

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

5

Target year

2020

Targeted reduction from base year (%)

10

Covered emissions in target year (metric tons CO2e) [auto-calculated]

139.5

Covered emissions in reporting year (metric tons CO2e)

2,018

% of target achieved [auto-calculated]

-12,019.3548387097

Target status in reporting year

Underway

Is this a science-based target?

No, but we are reporting another target that is science-based

Please explain (including target coverage)

This is our Scope 3 target from business travel from our operation in El Salvador

Target reference number

Abs 10

Year target was set

2016

Target coverage

Country/region

Scope(s) (or Scope 3 category)

Scope 3: Business travel

Base year

2016

Covered emissions in base year (metric tons CO2e)

72

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

3

Target year

2020

Targeted reduction from base year (%)

4

Covered emissions in target year (metric tons CO2e) [auto-calculated]

69.12

Covered emissions in reporting year (metric tons CO2e)

141

% of target achieved [auto-calculated]

-2,395.8333333333

Target status in reporting year

Underway

Is this a science-based target?

No, but we are reporting another target that is science-based

Please explain (including target coverage)

This is our Scope 3 target from business travel from our operation in Guatemala

Target reference number

Abs 11

Year target was set

2019

Target coverage

Country/region

Scope(s) (or Scope 3 category)

Scope 3: Upstream transportation & distribution

Base year

2019

Covered emissions in base year (metric tons CO₂e)

30

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

21

Target year

2020

Targeted reduction from base year (%)

0

Covered emissions in target year (metric tons CO₂e) [auto-calculated]

30

Covered emissions in reporting year (metric tons CO₂e)

21

% of target achieved [auto-calculated]

Target status in reporting year

New

Is this a science-based target?

No, but we are reporting another target that is science-based

Please explain (including target coverage)

This is our Scope 3 from Upstream transportation and distribution from our operation in Colombia

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Target(s) to increase low-carbon energy consumption or production
Other climate-related target(s)

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number

Low 1

Year target was set

2019

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: energy carrier

Electricity

Target type: activity

Consumption

Target type: energy source

Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)

Percentage

Target denominator (intensity targets only)

Base year

2018

Figure or percentage in base year

0

Target year

2025

Figure or percentage in target year

40

Figure or percentage in reporting year

32

% of target achieved [auto-calculated]

80

Target status in reporting year

New

Is this target part of an emissions target?

Purchase of renewable energy with iRECS certification to reduce our Scope2 emissions

Is this target part of an overarching initiative?

Science-based targets initiative

Please explain (including target coverage)

In order to do our part we have adhered to the Science Based Targets initiative, where we have committed to define greenhouse gas emission reduction targets that are in line with currently available climate scenarios in order to avoid an increase in global temperature above two degrees Celsius. To achieve these goals we have set an annual reduction target for our absolute Scope 1+2 emissions of 2,1%, which are not only achieved with energy efficiency initiatives, but it is important to include initiatives for consumption and generation of renewable energy

Target reference number

Low 2

Year target was set

2019

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: energy carrier

Electricity

Target type: activity

Production

Target type: energy source

Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)

Percentage

Target denominator (intensity targets only)

Base year

2018

Figure or percentage in base year

0.5

Target year

2025

Figure or percentage in target year

1

Figure or percentage in reporting year

0.00021

% of target achieved [auto-calculated]

-99.958

Target status in reporting year

New

Is this target part of an emissions target?

Renewable energy generation from the installation of solar panels in the challenge of reducing Scope2 emissions

Is this target part of an overarching initiative?

Science-based targets initiative

Please explain (including target coverage)

In order to do our part we have adhered to the Science Based Targets initiative, where we have committed to define greenhouse gas emission reduction targets that are in line with currently available climate scenarios in order to avoid an increase in global temperature above two degrees Celsius. To achieve these goals we have set an annual reduction target for our absolute Scope 1+2 emissions of 2,1%, which are not only achieved with energy efficiency initiatives, but it is important to include initiatives for consumption and generation of renewable energy

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Oth 1

Year target was set

2014

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Target denominator (intensity targets only)

Base year

2010

Figure or percentage in base year

112,038,005

Target year

2020

Figure or percentage in target year

98,593,444

Figure or percentage in reporting year

99,385,809

% of target achieved [auto-calculated]

94.1064271269

Target status in reporting year

Underway

Is this target part of an emissions target?

We contribute to the reduction of scope 2 emissions through a responsible consumption of energy and the implementation of energy efficiency products

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain (including target coverage)

In order to do our part we have adhered to the Science Based Targets initiative, where we have committed to define greenhouse gas emission reduction targets that are in line with currently available climate scenarios in order to avoid an increase in global temperature above two degrees Celsius. To achieve these goals we have set an annual reduction target for our consumption energy

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
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Under investigation	0	
To be implemented*	0	
Implementation commenced*	0	
Implemented*	459	308
Not to be implemented	11	

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings
Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

64

Scope(s)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

178,671,006

Investment required (unit currency – as specified in C0.4)

430,913,954

Payback period

1-3 years

Estimated lifetime of the initiative

3-5 years

Comment

Change from fluorescent lighting to LED Lighting in branch offices and ATMs

Initiative category & Initiative type

Energy efficiency in buildings
Maintenance program

Estimated annual CO2e savings (metric tonnes CO2e)

36

Scope(s)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

127,008,250

Investment required (unit currency – as specified in C0.4)

4,934,306

Payback period

<1 year

Estimated lifetime of the initiative

1-2 years

Comment

Installation of door closers to keep office branches' doors closed in order to avoid cold air leaks and therefore a decrease in air conditioning thermal load to save electricity usage.

Initiative category & Initiative type

Energy efficiency in buildings
Building Energy Management Systems (BEMS)

Estimated annual CO2e savings (metric tonnes CO2e)

23

Scope(s)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

64,916,770

Investment required (unit currency – as specified in C0.4)

Payback period

<1 year

Estimated lifetime of the initiative

1-2 years

Comment

Schedule Management: It consists of optimizing to the maximum the operating hours of the different systems of the Bancolombia sites, thus adjusting their operating schedule with the employees' working hours by reducing unnecessary operating hours.

Initiative category & Initiative type

Energy efficiency in buildings
Building Energy Management Systems (BEMS)

Estimated annual CO2e savings (metric tonnes CO2e)

13

Scope(s)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

34,922,520

Investment required (unit currency – as specified in C0.4)

9,253,817

Payback period

<1 year

Estimated lifetime of the initiative

1-2 years

Comment

Automatization systems correction to reduce the amount of failures that keep the air conditioner and lights on during non-operation period of times

Initiative category & Initiative type

Energy efficiency in buildings
Maintenance program

Estimated annual CO2e savings (metric tonnes CO2e)

5

Scope(s)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

13,304,877

Investment required (unit currency – as specified in C0.4)

56,570,205

Payback period

4-10 years

Estimated lifetime of the initiative

1-2 years

Comment

Maintenance Management: They are the different interventions that from the air conditioning maintenance contribute to the energy efficiency of the equipment such as: Compressor change, filter change, insulation replacement, refrigerant supply.

Initiative category & Initiative type

Energy efficiency in buildings

Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)

5

Scope(s)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

12,999,859

Investment required (unit currency – as specified in C0.4)

Payback period

<1 year

Estimated lifetime of the initiative

3-5 years

Comment

AA Modifications: These are the corrections made to air conditioning systems in which, through analysis of the blue prints for this system, machines and equipment are optimized in cases where over-dimensioning is identified

Initiative category & Initiative type

Low-carbon energy consumption
Hydropower

Estimated annual CO2e savings (metric tonnes CO2e)

5,255

Scope(s)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

48,097,500

Payback period

>25 years

Estimated lifetime of the initiative

Ongoing

Comment

Renewable Energy Certificates (REC) Procurement: With this purchase, we seek to certify that the energy procured for our main buildings comes from renewable sources in order to reduce our organization's carbon footprint.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Internal finance mechanisms	Using resources from Bancolombia's investment committee we conduct purchases of efficient air conditioning units and finance our reposition programs. In addition, direct purchases are done with Bancolombia resources where the financier is the sponsor and the beneficiary.
Employee engagement	Through our Rational Energy Usage Program (URE) we seek to promote a culture of resource efficiency using communication strategies and eco tips.
Dedicated budget for energy efficiency	Direct purchases are done with Bancolombia resources where the financier is the sponsor and the beneficiary. this mechanism is mostly used for new projects and air conditioning reposition.
Internal price on carbon	We have defined an internal price on carbon, based on current carbon taxes in the Colombian legislation associated with fossil fuel consumption and market prices of carbon. The internal price for carbon is applied to 1,5% the

	business travel budget and is used to drive investments in internal energy efficiency programs.
Dedicated budget for other emissions reduction activities	44% of the total consumption of our energy supplied by the network has Renewable Energy Certificates (iRECs), which guarantee zero emissions for a total of 31,968,072 kWh per year corresponding to a certification of 32,065 MKh issued by Empresas Públicas de Medellín (EPM).

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Group of products

Description of product/Group of products

Green bonds are fixed income, liquid financial instruments for raising debt capital for sustainable projects including climate mitigation or adaptation projects or programs and other environmentally and social beneficial activities. In 2019, Bancolombia made its first issuance of a sustainable bond worth COP 657,000 million, making it the third Issuance with sustainable characteristics. This bond was issued in the second market and acquired entirely by the IDB. 63% of the resources correspond to green projects focused on renewable energy, sustainable construction and cleaner production issues. The remaining 37% corresponds to social projects focused on low-income housing and basic sanitation. Through our own issuances, we are advancing renewable energy generation by financing new projects. In total more than 139.000TonCO2 avoided through the projects financed with bond resources.

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product and avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Green Bond Principles (ICMA)

% revenue from low carbon product(s) in the reporting year

% of total portfolio value

14.24

Asset classes/ product types

Investing

Fixed Income

Comment

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1, 2010

Base year end

December 31, 2010

Base year emissions (metric tons CO₂e)

650

Comment

Scope 2 (location-based)

Base year start

January 1, 2010

Base year end

December 31, 2010

Base year emissions (metric tons CO₂e)

27,559

Comment

Scope 2 (market-based)

Base year start

January 1, 2010

Base year end

December 31, 2010

Base year emissions (metric tons CO₂e)

27,559

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO₂e?

Reporting year

Gross global Scope 1 emissions (metric tons CO₂e)

683

Start date

January 1, 2019

End date

December 31, 2019

Comment

Past year 1

Gross global Scope 1 emissions (metric tons CO₂e)

700

Start date

January 1, 2018

End date

December 31, 2018

Comment

Past year 2

Gross global Scope 1 emissions (metric tons CO2e)

740

Start date

January 1, 2017

End date

December 31, 2017

Comment

Past year 3

Gross global Scope 1 emissions (metric tons CO2e)

682

Start date

January 1, 2016

End date

December 31, 2016

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

22,450

Scope 2, market-based (if applicable)

16,084

Start date

January 1, 2019

End date

December 31, 2019

Comment

Past year 1

Scope 2, location-based

23,643

Scope 2, market-based (if applicable)

Start date

January 1, 2018

End date

December 31, 2018

Comment

Past year 2

Scope 2, location-based

24,201

Scope 2, market-based (if applicable)

Start date

January 1, 2017

End date

December 31, 2017

Comment

Past year 3

Scope 2, location-based

25,530

Scope 2, market-based (if applicable)

Start date

January 1, 2016

End date

December 31, 2016

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

939

Emissions calculation methodology

Scope 3 GHG emissions for Purchased Goods And Services in Bancolombia are currently associated with paper usage, the emissions factor used to estimate emissions is 0.85 KgeqCo₂/Kg of paper, obtained from Ecoinvent 2.2 - graphic paper, paper, wood free, uncoated at integrated mill

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

As a financial institution paper usage is a material issue included in the Bancolombia Eco efficiency program. We have established a corporate emissions reduction target for the 2020 for each of the countries where we have operational control. The target is to reduce our 2010 Scope 3 emissions by 35% associated with paper consumption in our Colombia Operations, 6% in our Panama Operations, 10% in our El Salvador Operations and 4% in our Guatemala operations.

Capital goods

Evaluation status

Relevant, not yet calculated

Please explain

Bancolombia recognizes emissions associated with capital goods used by the organization in providing financial services to its clients could be material to the organizations Scope 3 emissions.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Not relevant, explanation provided

Please explain

This emissions source is not considered relevant for Bancolombia as a Financial institution since a significant percentage of energy usage for the organization is considered low carbon. On average, 80% of all of the electricity in Colombia is generated from renewable sources (mainly hydroelectric), as for El Salvador, 64% of the electricity comes from renewables, and for Panama the figure is 63%. this accounts for around 76% of all the electricity consumed by Bancolombia comes from renewable sources. Furthermore or fuel consumption is only associated with backup power plants for some branch offices and administrative buildings

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

21

Emissions calculation methodology

Scope 3 emissions from our distribution processes are calculated based on the distance from the distribution centers to our offices and the amount of goods transported. The emission factor for vehicles is geography-specific and obtained from local environmental authorities

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

As a financial institution air travel is a material issue included in the Bancolombia Eco efficiency program. We have established a corporate emissions reduction target for the year 2020 . The target is to reduce our Scope 3 emissions by 16% associated with air travel for our operations in Colombia, 2% for our operations in Panamá, 10% for our

operations in El Salvador and 4% for our operations in Guatemala. Air travel accounts for approximately 90% of our Scope 3 GHG emissions.

Waste generated in operations

Evaluation status

Relevant, not yet calculated

Please explain

Although waste generation is one of the key elements of Bancolombia's Eco efficiency program, GHG emissions associated with said waste is not considered material. However there is an implemented valorisation strategy with various recycling companies, where we were able to commercialize close to 813 metric tons of materials in 2018, including paper, cardboard, plastic, glass, and metal, electronic waste among others. This strategy generated an income of 868 million COP, which will be used for environmental and social projects led by Bancolombia.

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

2,176

Emissions calculation methodology

Scope 3 GHG emissions for Business Travel in Bancolombia are currently associated with air travel only, the emissions calculations are conducted by Bancolombia's travel agencies using the ICAO air travel emissions calculator for each purchased ticket.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

As a financial institution air travel is a material issue included in the Bancolombia Eco efficiency program. We have established a corporate emissions reduction target for the year 2020. The target is to reduce our Scope 3 emissions by 16% associated with air travel for our operations in Colombia, 2% for our operations in Panamá, 10% for our operations in El Salvador and 4% for our operations in Guatemala. Air travel accounts for approximately 90% of our Scope 3 GHG emissions.

Employee commuting

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Please explain

Bancolombia recognizes emissions associated with employee commuting could be material to the organizations Scope 3 emissions. However technical constraints currently prevent us from accurately estimating such emissions.

Upstream leased assets

Evaluation status

Relevant, not yet calculated

Please explain

Bancolombia recognizes emissions associated upstream leased assets could be material to the organizations Scope 3 emissions. However technical and availability of information constraints currently prevent us from accurately estimating such emissions.

Downstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Please explain

As a financial institution Bancolombia has a large implemented system of logistics and distribution of statements, cards and other documents conducted through a series of logistics operators and suppliers. Bancolombia recognizes emissions associated to this are material and a project is underway to calculate emissions from logistics suppliers.

Processing of sold products

Evaluation status

Relevant, not yet calculated

Please explain

Due to the intangible nature of financial products and services we do not consider that the emissions associated with processing of our services are a material issue for Bancolombia.

Use of sold products

Evaluation status

Not relevant, explanation provided

Please explain

Due to the intangible nature of financial products and services we do not consider that the emissions associated with the use of our services are a material issue for Bancolombia.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Please explain

Due to the intangible nature of financial products and services we do not consider that the emissions associated with the treatment of sold products are a material issue for Bancolombia.

Downstream leased assets

Evaluation status

Relevant, not yet calculated

Please explain

Bancolombia recognizes emissions associated with downstream leased assets are material to the organizations Scope 3 emissions. However technical and availability of information constrains currently prevent us from accurately estimating such emissions.

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

Bancolombia does not operate any franchises

Other (upstream)

Evaluation status

Please explain

Other (downstream)

Evaluation status

Please explain

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO₂e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.0000000007

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO₂e)

16,767

Metric denominator

unit total revenue

Metric denominator: Unit total

23,875,502,000,000

Scope 2 figure used

Market-based

% change from previous year

34.37

Direction of change

Decreased

Reason for change

Emissions Reduction activities, energy efficiency programs,
renewable energy purchase

C7. Emissions breakdowns

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption				
Other emissions reduction activities	1,211	Decreased	2.2	For the reporting year, all of our operation countries achieved reductions in the energy efficiency activities and projects described in 4.3b. All this explains a reduction of 2,2% in the total GHG emissions of Scope 1 + 2 of Grupo Bancolombia. The calculation for this reduction comes from comparing our 2018 and 2019 consolidated Scope 1 + 2 emissions with our 2018 Scope 1 + 2 emissions, multiplied by the 16% which corresponds to the derived reduction from the energy efficiency activities and projects $[((16767 \text{ eqTons} - 24618 \text{ eqTons}) / 24618 \text{ eqTons}) - 0.62] * 100 = -2,2\%$.
Divestment				
Acquisitions				
Mergers				
Change in output				
Change in methodology	6,366	Decreased	11.8	For the year of the report, Colombia acquired renewable energy under iRECs certification, for a total of 7014 eq Tons, described in 4.3b. All this explains a combined reduction of 11.8% in the total GHG emissions of Scope 1 + 2 of Grupo Bancolombia. The calculation for said reduction comes from comparing our consolidated Scope 1 + 2 emissions of 2018 and 2019 with our Scope 1 + 2 Emissions 2018, multiplied by 84% corresponding to the reduction derived from the procurement of low carbon energy $[((16767 \text{ eqTons} -$

				24618 eqTons) / 24618 eq Tons) -0.38] * 100 = -11.8%.
Change in boundary				
Change in physical operating conditions				
Unidentified				
Other				

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No

Generation of electricity, heat, steam, or cooling	Yes
--	-----

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)		1,821	1,821
Consumption of purchased or acquired electricity		31,968	67,418	99,386
Consumption of self-generated non-fuel renewable energy		208		208
Total energy consumption		32,176	69,239	104,415

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Energy usage

Metric value

99,386

Metric numerator

MWh

Metric denominator (intensity metric only)

% change from previous year

4.5

Direction of change

Decreased

Please explain

In Bancolombia we achieved an overall energy usage reduction in our global operations of 4.5%, this accounts for 4718 MWh in the reporting year. This was achieved due to energy efficiency projects implemented across our global operation.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 Grupo Bancolombia 2019 Memorando HC_English.pdf

Page/ section reference

1-2

Relevant standard

ASAE3000

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process


Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 Grupo Bancolombia 2019 Memorando HC_English.pdf

Page/ section reference

1-2

Relevant standard

ASAE3000

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Purchased goods and services

Verification or assurance cycle in place

Annual process


Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 Grupo Bancolombia 2019 Memorando HC_English.pdf

Page/section reference

1-2

Relevant standard

ASAE3000

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Upstream transportation and distribution

Verification or assurance cycle in place

Annual process


Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 Grupo Bancolombia 2019 Memorando HC_English.pdf

Page/section reference

1-2

Relevant standard

ASAE3000

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Business travel

Verification or assurance cycle in place

Annual process


Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 Grupo Bancolombia 2019 Memorando HC_English.pdf

Page/section reference

1-2

Relevant standard

ASAE3000

Proportion of reported emissions verified (%)

100



C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C7. Emissions breakdown	Year on year change in emissions (Scope 1)	ISAE3000	In the environmental indicator verification process conducted by Deloitte, the year on year variation of environmental indicators and GHG emission data is included  1
	Year on year change in emissions (Scope 2)	ISAE3000	In the environmental indicator verification process conducted by Deloitte, the year on year variation of environmental indicators and GHG emission data is included  1
C7. Emissions breakdown	Year on year change in emissions (Scope 3)	ISAE3000	In the environmental indicator verification process conducted by Deloitte, the year on year variation of

			environmental indicators and GHG emission data is included 📎 ¹
C14. Portfolio impact	Other, please specify Avoided emissions indicator, associated with our specific green credit line.	ISAE3000	Included in Bancolombia's annual report verification process, we have an avoided emissions indicator, associated with our specific green credit line. 📎 ²

📎¹ Grupo Bancolombia 2019 Memorando HC_English.pdf

📎² Memorandum of independent review On the 2019 Management Report of Bancolombia Group, GRI 102-16, 102-17.pdf

C11. Carbon pricing

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price

- Change internal behavior
- Drive energy efficiency
- Drive low-carbon investment
- Identify and seize low-carbon opportunities

GHG Scope

- Scope 1
- Scope 2

Application

"An internal carbon price is used when evaluating funding of energy efficiency projects and as a driver to reach the bank emissions reduction target Internal price of carbon is applicable for Bancolombia Group Operations. The price of references is taken from the

colombian carbon tax. since Colombain is the only country which introduced a carbon tax since 2017.

The price is an evolutionary pricing according to Decret 926, which stablished an annual variation according to the inflation of the previous year. In 2019 the tax was 16422/TonCO2"

Actual price(s) used (Currency /metric ton)

16,422

Variance of price(s) used

Evolucionary pricing.

According to Decret 926, which stablished an annual variation according to the inflation of the previous year. In 2018 the tax was 15700/TonCO2, during 2019 the tax was 16422

Type of internal carbon price

Shadow price

Impact & implication

An internal carbon price is used when evaluating funding of energy efficiency projects and as a driver to reach the bank emissions reduction target This evaluating criteria has a significant funding impact on projects with lower return on investment but with a potential to reduce Bancolombia's carbon footprint significantly.

Objective for implementing an internal carbon price

Change internal behavior
Drive energy efficiency
Drive low-carbon investment
Identify and seize low-carbon opportunities

GHG Scope

Scope 3

Application

We have defined an internal price on carbon, based on current carbon taxes in the Colombian legislation associated with fossil fuel consumption and market prices of carbon. The internal price for carbon is applied to 1,5% the business travel budget and is used to drive investments in internal energy efficiency programs and renewable energy.

Actual price(s) used (Currency /metric ton)

103,385

Variance of price(s) used

This is the first year that we are using this internal carbon pricing for business travel

Type of internal carbon price

Shadow price

Impact & implication

An internal carbon price is used to offset the emissions caused by our business travel, from the 1.5% of the budget allocated for travel, increases investment in energy efficiency projects and renewable energy. This criterion also has a significant impact on the awareness of our employees and aims to reduce the amount of business travel.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

- Yes, our suppliers
- Yes, our customers
- Yes, our investee companies
- Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

% of suppliers by number

23

% total procurement spend (direct and indirect)

43

% of supplier-related Scope 3 emissions as reported in C6.5

100

Rationale for the coverage of your engagement

In Bancolombia we engage with our suppliers in climate change issues through various initiatives, including our Sustainable Procurement Policy, where among others, climate related issues are included in every Request For Proposal, there is an environmental component that every aspiring supplier must complete to be even considered. Also, Bancolombia has an implemented Supplier Development program, in association with B Lab, using their B Impact Assessment, where on a yearly basis we evaluate in sustainability performance, our top suppliers by procurement and our critical suppliers in environmental and social issues, for the reporting year we assessed 108 suppliers,

covering 57% of the procurement of the year. The assessment includes a climate change chapter that covers GHG emissions reporting for said suppliers. Furthermore Bancolombia holds several supplier training events on various topics, including sustainability and climate change strategies. To define the suppliers to engage there is a formalized process for assessing risks in the supply chain, the implemented methodology includes environmental risks, which in itself includes climate change risk.

Impact of engagement, including measures of success

Success metrics in supplier engagement with our climate change strategy is measured in the supplier development program evaluating the number of suppliers that present an overall improvement in sustainability performance. We have found that 62% of suppliers that have been part of the development program for two years and 70% for three years, have had an overall improvement on their sustainability performance, this includes their performance in governance, environmental, workers, and community indicators. The average score of our supplier portfolio for 2019 was 65,5 points, the same average for 2018 was 79,3 points. Through this engagement we were able to identify new sources of measurable scope 3 GHG emissions to report in the future.

Comment

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Education/information sharing

Details of engagement

Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

0

Portfolio coverage (total or outstanding)

All of the portfolio

Please explain the rationale for selecting this group of customers and scope of engagement

The Sustainability School

The School of Sustainability is a content platform in which we show real examples of inspiration to demonstrate that it is possible to contribute to solving problems that add to

the United Nations Sustainable Development Goals and that reflect that all citizens are agents of change and can contribute to a more prosperous and enduring world. In 2019 we launched “El Poder de los Centennials” (Centennials' Power), a documentary series of 6 chapters, made in Colombia. It was directed by the Uruguayan producer, director, film-maker and screenwriter Luis Ara and he placed 6 centennials (under 25) on the same stage, who are leaders in sustainability in various parts of the world, with 6 great entrepreneurs from the region, whose objective it to spread reflection, generating commitments and inviting to make great changes that contribute to building a better future for all. The topics covered this season were deforestation, access to quality health, gender equality, open-pit mining and responsible production, access to quality education, and access to drinking water. The objective is to inspire and contribute to solving the country's problems, as well as proposing solutions to the environmental, economic and social challenges that Colombia poses

Impact of engagement, including measures of success

This initiative generated a positive sentiment of 67%, reaching the highest historical percentage registered for a campaign to date. In addition, it increased the reach of our posts on instagram and youtube by 142%
In our social networks, facebook, Twitter, Linkedin and Instagram we reserve a space to interact with our clients around ESG topics, in this way, we manage to have a direct conversation with them and generate discussions beyond financial issues.
In 2019 we registered the following behavior in our social networks.

C-FS12.1c

(C-FS12.1c) Give details of your climate-related engagement strategy with your investee companies.

Type of engagement

Engagement & incentivization (changing investee behavior)

Details of engagement

Initiate and support dialogue with investee boards to set Paris-aligned strategies

% of investees by number

1

% Scope 3 emissions as reported in C-FS14.1a/C-FS14.1b

0

Portfolio coverage

Minority of the portfolio

Rationale for the coverage of your engagement

Understanding the effects of climate change on society, economy and society in the foreseeable future, Bancolombia, as its fiduciary duty and aligned with PRI's principles, specially 2 and 5, has been deploying its business aligned with a climate change strategy for industries within oil and gas industry which have higher risk exposure in this topic. On this note, Bancolombia has been conducting engagements exercises with clients and investees knowing that is one of the most effective mechanisms to reduce risks, maximize returns and have a positive impact on society and the environment. One of them is Ecopetrol, Colombia's national oil company and the only Colombian company on the Climate 100+ initiative, making it key to achieve a low carbon transition. In early 2020 the new Bancolombia's Corporate Purpose was launched which states that Bancolombia promotes economic development to generate well-being for all, this reaffirms that the company is putting the sustainable development at the hearth of the strategy and there is a real commitment to work towards contributing to getting the Sustainable Development Goals. Subsequently, one of the challenges that Bancolombia has put ahead to accomplish this Purpose is to Support the de-carbonization of high polluting industries, which is directly aligned with SDGs 7 and 13, so that is why the inclusion of Ecopetrol in Climate Action 100+ turned out to be a perfect opportunity to advance on this strategy

Impact of engagement, including measures of success

With this engagement activity Bancolombia seeks and expects to influence the activities and behavior of Ecopetrol in order to generate a change that ignites a climate change strategy within the company, and therefore, contribute to align its goals and objectives to a low carbon economy. Also, Bancolombia seeks that the company starts setting long-term quantitative science-based targets for reducing GHG emissions, starts incorporating climate change risks and opportunities in their strategy and includes climate scenarios in the strategic planning.

Due to the systemic role that Ecopetrol plays in the Colombian economy achieving a change in the business and reducing its carbon intensity will contribute to Colombia's NDC even as further as a Business as Usual scenario. One of the main insights learned from the engagement was that the first step is to show the importance of integration of ESG into the strategy along with a benchmark of market leaders that are already advanced on this pathway, so the investee is able to have a broader view of a business case where they either reduce or mitigate risks, generate new sources of income or reduces costs.

Ecopetrol has taken serious actions to overcome the challenge of integrating ESG practices in the core of their strategy: it has been deploying solar farms for their energy consumption as initial steps to understand them and evaluate the business case (on October 2019 a 21 MW installed capacity solar farm was inaugurated, and right now a second facility with a 50 MW capacity is planned to be built), it has compromised to disclose in the Dow Jones Sustainability Index request and CDP and has made sustainability as one of the core topics of all of their communications and commitments. As for now, conversations regarding science-based targets and other compromises are on the table.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

As a part of our Sustainability as a Service strategy we have conducted innovation sprints based on climate change with business clients that need to explore challenges surrounding climate change. In these sprints that last up to 3 days full time, we identify challenges in the climate strategy of clients, and using innovation methodologies we create solutions, concepts and later prototypes that are validated by stakeholders of our clients.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

- Direct engagement with policy makers
- Trade associations
- Funding research organizations
- Other

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Climate finance	Support	Since 2015, we are participating in the meetings of the financial committee of SISCLIMA (National System of the Colombian Government About Climate Change) which aims at coordinating and articulating Initiatives to face climate change issues in Colombia. This committee provides technical viability and financial resources for the projects presented by the industries, territories or agents, towards adaptation and mitigation projects being developed, for which the interested parties have no resources for the execution of such projects. Colombia was committed to a goal of 20% reduction of emissions by 2030 at the recent COP in Paris. Both the Colombian government and the public and private institutions are seeking to make strategies that contribute to the	Our role on the Sisclima committee through Green Protocol is to make part of the construction of the financial scheme that will be adopted in Colombia in order to put resources on specific projects (chosen by the government) aimed at climate change impacts reduction. In the Green Growth Mission, we are mapping our sustainability actions and how these

		<p>identification, mitigation and proper registration of emissions. Furthermore, Bancolombia Group is part of the Green Protocol (initiative Between the Colombian Financial Institutions and the Colombia Government, to work on Environmental and Social Risk assessments, sustainable Businesses, disclosure and sustainability reports on financing). We take the active role, representing the banking industry in different associations and towards the Government, in order to promote sustainability related topics- In addition, since the end of 2016, it was ordained by the National Planning Department the Green Growth Mission that seeks to implement strategies with the objective of achieving the country's 20% emission reduction goal. During 2019 we continued working on the Green Protocol of Asobancaria (Of which Bancolombia is part) together with the National Government to articulate the financial sector and the Government in order to achieve the goals of reduction of emissions in the country. We have a monthly committee, and resources from the green climate fund are being used in projects of financial institutions to develop initiatives that allow a low carbon economy</p>	support the government's mission
Energy efficiency	Support	<p>We are part of several public private entities in different cities of the countries where we have presence with the objective of knowing how the different key sectors of a low carbon economy are moving, such as the energy sector, construction, mobility, among others. In Colombia we are part of the environmental committee of the National Association of Industrialists (ANDI), the Association of Public Services and Communications (ANDESCO, National Association of Public Services and</p>	<p>With the energy committee and with the internal group of experts we check the laws and let national government our comments in pro of improving energy efficiency in the industrial sector as a factor of competitiveness.</p>

		Communications) and the Chamber of Commerce of Medellin in groups such as Energy and Mobility with the purpose of making comments and ideas about the bills, to create collaborative networks that allow us to advance with the development of prototypes and to mobilize knowledge through forums that we sponsor and we disclose our interest in articulating and developing economies	
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C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

Asobancaria Green Protocol

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Green Protocol: our organization participated on the creation of Protocolo Verde, and actively participates in its work tables: ARAS (Environmental and Social Risk Assessment), eco-efficiency, green products and sustainable report and divulgation. Eco-efficiency table: we advanced on training about basic topics of eco-efficiency, carbón footprint GHG Protocol and sustainable management of the chain value Environmental and Social Risk Assessment table: we met the objectives of awareness creation by making periodic training programs, we visited projects, we identified experts on this issue and we accomplish a joint work with the environment ministry who have participated on the matters related with the Environmental and Social Risk Assessment Green products design table: We shared good regional practices of green products on the developing banking, we met the incentives for environmental and social businesses from the multilateral entities, we identified financial mechanisms

for energy efficiency projects and we analyzed specialized agro-forest products.

How have you influenced, or are you attempting to influence their position?

PV Asobancaria:

- 24 banks in the initiative – 95% of the Colombian market
- Growth of 142% in green finance. From 1.9 (2018) to 4.6 (2019) trillion COP.
- Widely coverage of studies of Environmental and Social Risk Analysis in specific sectors..
- Growth of ESRA in finance of 9.4%. From 19.2 (2018) to 21 (2019) trillion COP.
- Training in topics such as sustainable supply chain and green finance in alliance with Javeriana University and IFC.
- Two consulting services from Inter-American Development Bank for Project finance in renewable energy and energy efficiency with 5 banks as well as on the implementation of Environmental and Social Risk Analysis with 4 banks.

PV Ampliado:

- Initiative that includes the whole Colombian financial sector, during 2019 happened the adherence of the Funds association, accomplishing that the most important associations of Financial sector are participating in this forum.
- Articulation among Protocolo Verde-Ampliado and the Colombian responsible investment TaskForce
- Most of the associations structured a committee attending climate finance and responsible investment

Trade association

ANDI

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

We participate on the environmental committee of ANDI on a monthly basis, where we discuss the current and the upcoming legislation about environmental and sustainable topics.

How have you influenced, or are you attempting to influence their position?

Active participation in the forums organized by ANDI

Trade association

Equator Principles Association

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Our participation involves the application of the standards of environmental and social risks in financing, in the scope defined by the association. Besides this we have a communication with latinoamerican EP members, to answer questions regarding the application in different sectors of the economy

How have you influenced, or are you attempting to influence their position?

We adapted our processes to the new requirements contained in Version III of these Principles, these mainly relating to climate change, footprint metrics and prior consultation. We rely on the team work being conducted in Latin America so as to be able to share our experiences in implementing these practices.

Trade association

UNEP FI Latin America Team

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Participation in monthly meetings where they have an agenda to share best practices in implementing environmental and social issues in financial institutions.

How have you influenced, or are you attempting to influence their position?

We continued to form part of this alliance together with more than 200 financial institutions sharing best sustainable practices in this regard.

Trade association

PRI

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The six Principles for Responsible Investment are a voluntary and aspirational set of investment principles that offer a menu of possible actions for incorporating ESG issues into investment practice. Since 2014, these principles have marked the route of Bancolombia's ESG investment strategy which has derived in various investment products and practices that are consolidated in our annual PRI report

How have you influenced, or are you attempting to influence their position?

The Principles for Responsible Investment reflect the increasing relevance of environmental, social and corporate governance issues to investment practices. As stated by PRI, Climate change is the highest priority ESG issue facing investors,

besides, since 2020 PRI's reporting against TCFD based indicators became mandatory as prepare and report on these climate risk indicators is a high urgency

Trade association

Climate Action 100+

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Climate Action 100+ is an investor initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. Bancolombia joined in July 2019 as a Colombian company was included into the list of the larger GHG emitters.

How have you influenced, or are you attempting to influence their position?

The main purpose of the initiative is more than 450 investors with over \$40 trillion in assets collectively under management are engaging companies to Curb emissions, Improve governance and Strengthen climate-related financial disclosures. Under this initiative we carried out an engagement with Ecopetrol, Colombia's national oil company and only Colombian company on the climate 100+ initiative, making it key to achieve the low carbon transition since it is a systematically important greenhouse gas emitter.

Trade association

Business Ambition 1.5

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

It is a communications and advocacy campaign calling for businesses to step up and do their part in limiting global temperature rise to 1.5°C in response to the global climate crisis

How have you influenced, or are you attempting to influence their position?

Under this initiative we commit to align our ambition with keeping warming to 1.5°C through setting science-based emissions reduction targets across all relevant scopes, in line with 1.5°C emissions scenarios

Trade association

GISD

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

GISD is a CEO-driven, comprised of high-level leaders from the global business and financial community who share a long-term commitment to sustainable development. The core objective is to unblock impediments and implement solutions for scaling long-term investment for sustainable development. GISD will identify and shape opportunities for the private sector to move towards long-term investments

How have you influenced, or are you attempting to influence their position?

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?

Yes

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

Contributions to isolated communities in Colombia thanks to the implementation of renewable energy solutions. 2018

The objective of the intervention for 2018 was to reduce the vulnerability of the Wayúu indigenous community, which is located in a non-interconnected area of

Colombia with scarce resources and an almost desertic climate, in 2 communities and their families in front of the hydrometeorological and extreme hydroclimatic phenomena, improving the access, supply, quality and time of water transport conditions of women and their families, as well as the conservation of ecosystems and the improvement in the quality of life of the inhabitants of these regions, 87 families benefited, 872 people; 212 of these are children and two educational centers in which 262 students attend.

The organization Wayu Araurayu once the systems are established starts its management with FAO and Ministry of Agriculture looking for agricultural projects that can feed on water in both places

Solid Waste Management Pescaito Santa Marta

Pescaito Santa Marta In partnership with the Tras la Perla Foundation and the association of the Socya Foundation as an operator, a project was implemented in a sector of the city of Santa Marta, in Colombia, whose objective was to implement the integrated solid waste management plan as a strategy for generation of an environmental culture, achieving: * Accompany families in the proper separation of waste, making 648 awareness visits to families on the importance of adopting the practice of recycling. * Link 3 educational institutions with the training of staff and students of the institution, as well as the selection of 59 young people in grades 10 and 11 for social service in MIRS. * Training to community leaders of Barrio Pescaito in MIRS, certifying 11 people for their participation in the process. * A new route is established with the recovery cooperatives of the neighborhood, expanding the sectors that were not previously covered, thus increasing the material collected for recycling by 261kg. * Commitment

of the entities ESSMAR, Interaseo and Cooperatives of recuperators to cover the entire neighborhood

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Within the Sustainability Strategy we have 7 Ecosystems in which we release all the actions: Energy, sustainable mobility, sustainable cities, companies with purpose, sustainable construction, rural and circular economy.

Each Ecosystem has a definition of relationship groups, from the government, companies that develop actions, the public sector,

NGOs, and all those interested who contribute so that the ecosystem is possible.

As a financial institution we seek to unite common points and integrate them with financial services that close the models and generate demand.

Each Ecosystem seeks for climate change strategies so in the different guilds, groups at government level and associations in which

we participate, we influence them to make part of the change towards a low carbon economy.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).


Publication

In mainstream reports

Status

Complete

Attach the document

 Grupo Bancolombia 2019 Memorando HC_English.pdf

Page/Section reference

All

Content elements

Governance

Strategy

Risks & opportunities

Emissions figures
Emission targets

Comment

C-FS12.5

(C-FS12.5) Are you a signatory of any climate-related collaborative industry frameworks, initiatives and/or commitments?

	Industry collaboration	Comment
Reporting framework	Equator Principles Principles for Responsible Investment (PRI) Task Force on Climate-related Financial Disclosures (TCFD) UNEP FI Principles for Responsible Banking Climate Action 100+ Positive Impact Initiative UNEP FI	
Industry initiative	Equator Principles Principles for Responsible Investment (PRI) UNEP FI Principles for Responsible Banking Climate Action 100+ Positive Impact Initiative Science-Based Targets Initiative for Financial Institutions (SBTi-FI) UNEP FI	
Commitment	Equator Principles Principles for Responsible Investment (PRI)	

C14. Portfolio Impact

C-FS14.1

(C-FS14.1) Do you conduct analysis to understand how your portfolio impacts the climate? (Scope 3 portfolio impact)

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric	Comment
Bank lending (Bank)	Yes	Alternative carbon footprinting	In Bancolombia we have conducted a lending portfolio carbon exposure analysis using the PACTA (Paris Agreement Capita Transition

		and/or exposure metrics (as defined by TCFD)	Assessment) Methodology from 2° Investing Initiative. We measured the exposure of our credit portfolio to assets in the most carbon intensive sectors in the economy that account for approximately 75% of GHG emissions (Energy, Coal Mining, Upstream Oil & Gas, Car Manufacturing, Cement, Steel, Airlines and Shipping) against various climate scenarios (SDS, B2DS, NPSRTS, CPS).
Investing (Asset manager)	No, but we plan to do so in the next two years		We have conducted some initial climate related and scenario assessments on some portfolios under our ESG investment strategy in order to identify their alignment on a temperature specific increasing path and their repercussions, however up to date we haven't conducted an analysis to determine their impact expressed in TCFD or emissions figures and the scope of the assessed portfolios left a great amount of issuers due to constraints in data and methodologies for local issuers. Furthermore, our asset manager business unit had approximately 35 trillion COP in assets under management as december 31 of 2019. This figure implies that this business unit manages assets in a magnitude as a 20% of Bancolombia's lending portfolio, therefore, impacts from investees may represent a representative proportion of our scope 3 emissions and portfolio climate impacts analysis.
Other products and services, please specify			

C-FS14.1a

(C-FS14.1a) What are your organization's Scope 3 portfolio emissions? (Category 15 "Investments" total emissions)

Category 15 (Investments)

Evaluation status

Relevant, not yet calculated

Please explain

Financed Emissions are very relevant for Bancolombia. After our experience measuring carbon exposure on our lending and investment portfolios with the PACTA methodology we have started a plan to implement the PCAF methodology to estimate Scope 3 portfolio emissions.

C-FS14.1b

(C-FS14.1b) What is your organization's Scope 3 portfolio impact? (Category 15 "Investments" alternative carbon footprinting and/or exposure metrics)

Metric type

Exposure to carbon-related assets

Metric unit

Percentage portfolio value

Scope 3 portfolio metric

2

Portfolio coverage

More than 20% but less than or equal to 30%

Percentage calculated using data obtained from clients/investees

0

Calculation methodology

In Bancolombia we used the Paris Agreement Capital Transition Assessment PACTA. We measured the exposure of our credit portfolio to assets in the most carbon intensive sectors in the economy that account for approximately 75% of GHG emissions (Energy, Coal Mining, Upstream Oil & Gas, Car Manufacturing, Cement, Steel, Airlines and Shipping) against various climate scenarios (SDS, B2DS, NPSRTS, CPS).

Please explain

Our assessment was conducted on the exposure of our corporate lending portfolio, which corresponds to 27% of Bancolombia's total lending portfolio, Personal and SME lending was excluded due to lack of information and low exposure to high carbon assets.

C-FS14.1c

(C-FS14.1c) Why do you not conduct analysis to understand how your portfolio impacts the climate? (Scope 3 Category 15 "Investments" emissions or alternative carbon footprinting and/or exposure metrics)

We have conducted some initial climate related and scenario assessments on some portfolios under our ESG investment strategy in order to identify their alignment on a temperature specific increasing path and their repercussions, however up to date we haven't conducted an analysis to determine their impact expressed in TCFD or emissions figures and the scope of the

assessed portfolios left a great amount of issuers due to constraints in data and methodologies for local issuers. We are planning to conduct this type of assessment into all of our investment processes once a methodology for local issuances and issuers can be applied since the existing ones have a low coverage of the Colombian market. On this matter, we have been working with PRI on the Latin American working group and with 2 degrees PACTA initiative to increase coverage and adapt it to a local framework, however, we have been carrying this analysis for a minority of our portfolio expose to international assets.

C-FS14.2

(C-FS14.2) Are you able to provide a breakdown of your organization's Scope 3 portfolio impact?

	Scope 3 breakdown	Comment
Row 1	Yes, by asset class	Our experience using the PACTA methodology for analysing our exposure to high carbon assets in specific industries can be broken down by the asset class, specifically in the asset class where the assessment was conducted, which is corporate loans, these loans account for 27% of Bancolombia's total loan portfolio.

C-FS14.2a

(C-FS14.2a) Break down your organization's Scope 3 portfolio impact by asset class.

Asset class	Metric type	Metric unit	Scope 3 portfolio emissions or alternative metric	Please explain
Corporate/SME loans	Exposure to carbon-related assets	Percentage portfolio value	5	Only 5% of our corporate credit portfolio is exposed to carbon intensive assets in the industries covered by the PACTA Methodology

C-FS14.3

(C-FS14.3) Are you taking actions to align your portfolio to a well below 2-degree world?

We are taking actions to align our portfolio to a well below 2-degree world	Please explain
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Bank lending (Bank)	Yes	Upon reviewing our portfolio exposure to carbon intensive sectors we are adjusting our policies accordingly to implement actions that reduce that exposure and so that the clients in those sectors can reduce their GHG emissions. We seek to track that progress based on various climate scenarios using the PACTA and PCAF methodologies
Investing (Asset manager)	No, but we plan to do so in the next two years	Up to today there is no method to determine emissions from our investees in a local context, due to lack of external data agencies coverage or poor reporting practices on the countries we have a presence. However, we have been working with PRI on the latin american working group and with 2 degrees PACTA initiative to increase coverage and adapt it to a local framework, also we have an agreement with MSCI's ESG ratings to increase their coverage in some issuers which can help us determine our scope 3 emissions. After this info is made available or a methodology to compute this figure is developed, we could begin the path to align our portfolio to a well below 2 degree climate scenario.
Other products and services, please specify		

C-FS14.3a

(C-FS14.3a) Do you assess if your clients/investees' business strategies are aligned to a well below 2-degree world?

	We assess alignment	Please explain
Bank lending (Bank)	Yes, for some	Using the PACTA methodology we were able to determine at a client level how aligned to a 2° or lower scenario their production is so that we can create strategies to help them be aligned.

C-FS14.3b

(C-FS14.3b) Do you encourage your clients/investees to set a science-based target?

	We encourage clients/investees to set a science-based target	Please explain
Bank lending (Bank)	Yes, for some	Using client engagement we have provided Sustainability as a Service included in our climate change strategy, where we advise some of our clients in carbon intensive sectors on their climate strategies, including target setting aligned with current science and scenarios.

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Executive Officer	Chief Executive Officer (CEO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms