

**CONTROVERSIAL THEMES POLICY
Bancolombia**

Version 2.

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1 INTRODUCTION

Grupo Bancolombia's role as financier and investor generates indirect negative and/or positive impacts on the environment and on society. Thus, the definition of an actuation framework for economic activities of high environmental and social impact becomes relevant for strengthening our stakeholders' trust and the generation of shared value through our business practices.

2 OBJECTIVE AND SCOPE

Objective: To define the activities that shall not be financed, and the financing and investment conditions for economic activities of potentially high environmental and social impact.

Scope: Financing and investment operations through the business activities of Grupo Bancolombia, in any geographies where it operates.

3 GUIDELINES

We Will not finance projects related to the production, marketing or use of products, substances or activities from the following exclusion list:

1. Those that involve slavery, forced or child labor.
2. Those that are illegal according to local law and regulations or banned by international treaties and conventions, or that are subject to any international prohibition.
3. Pornography and prostitution
4. Gambling, casinos and similar activities.
5. Cannabis. Cultivation and growing of cannabis and the production of by-products from the cannabis plant, except for medical use and research.
6. Production and marketing of arms and munition, except for state monopolies.
7. Controversial arms and weapons. Chemical, biological and nuclear weapons, cluster munition, and any other banned by international humanitarian law.
8. Marketing of wild fauna and flora or any products derived from wild species
9. Specialty fur and leather. Production, tanning, manufacturing and marketing of fur and leather from wild or undomesticated animals.
10. Commercial operations of tree felling or felling machinery for use in virgin forests and rainforests.
11. Infrastructure, projects or activities that impact Natural National Reserves or other protected areas without appropriate licensing and permits from the corresponding authorities. In addition to country-designated areas, any world natural heritage areas are also included.
12. Those that affect lands property of, or adjudicated to indigenous peoples and ethnic minorities, without a due process of public consultation and authorization from the authorities.
13. Trawl fishing, using trawls over 2.5 km in length.
14. Genetic engineering of human embryonic stem cells with cloning objectives.
15. Radioactive materials, except for the purchase and use of medical equipment, quality control and measuring equipment, and any other that can be demonstrated to produce insignificant amounts of ionizing radiation.
16. Mining and marketing of asbestos and asbestos fibers.
17. Herbicides and pesticides that are being phased out of markets or that have been banned by the Rotterdam Convention (www.pic.int) and the Stockholm Convention (www.pops.int).
18. Pharmaceutical products that are being phased out of markets or that have been banned internationally by any entity or convention of the United Nations.
19. Ozone depleting substances regulated by the Montreal Protocol.
20. Those that use or contain Polychlorinated Biphenyls (PCBs).
21. Cross-border movement of waste or byproducts defined in the Basel Convention (www.basel.int), except for innocuous waste destined to recycling or that have been authorized by the corresponding authorities.

22. Persistent Organic Pollutants (POPs) defined by the Stockholm Convention (www.pops.int).

Screening: No new customers may be admitted whose business activities relate to the production, marketing or use of the above-mentioned activities and substances.

Renewal of Maximum Financing Limits (LME): For any customers that have valid approved financing before the approval and publication of this policy, no increased or new financing operations may be approved during the next process of credit scoring or approval, including any working capital or long term financing.

Certification of compliance: We will ask our customers to issue a certification stating that any financing resources will not be destined to or associated with the activities from the exclusion list. Said certification shall be sufficient to proceed with the financing process.

Financing conditions for high environmental and social impact sectors: We will evaluate sectors of the economy with higher environmental and social impact and provide guidelines for their financing, seeking a balance between financing and environmental and social impact mitigation.

4 RESPONSIBILITIES FOR THE APPLICATION OF THIS POLICY:

The application of this policy shall be led by the areas of Risk, Business Units and Sustainability.

5 MONITORING

The results of compliance with this policy shall be evaluated periodically, at least annually, by Sustainability Management.

6 DISCLOSURE

Any material advance of this policy shall be communicate with stakeholders through official channels established for this purpose, and included in the annual report.

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