

CLIMATE STRATEGY

GRUPO AVAL

2025

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ACRONYMS AND ABBREVIATIONS

| Acronym | Description |
|----------------|---|
| ASC | Environmental, Social and Climate issues. |
| CE-031 | External Circular 031 of 2021 from <i>Superintendencia Financiera de Colombia</i> – SFC (Financial Superintendency of Colombia). |
| ESG | Environmental, Social and Governance issues. |
| GHG | Greenhouse Gases. |
| IFRS | International Financial Reporting Standards Foundation. |
| ISSB | International Sustainability Standards Board. |
| NDC | Nationally Determined Contributions. |
| IFRS S2 | International Financial Reporting Standard on Sustainability 2. |
| SFC | <i>Superintendencia Financiera de Colombia</i> (Financial Superintendency of Colombia). |
| TCFD | Task Force on Climate-Related Financial Disclosure. |

KEY CONCEPTS

- **Carbon neutral:** condition in which, over a given period, the carbon footprint has been reduced as a result of emissions mitigation or increased removals, and if it is greater than zero, it is counteracted by offsets. [Source: ISO 14068-1:2023].
- **Net zero emissions:** condition in which residual GHG emissions are balanced by the subject's associated removals over a given period and within specified limits. [Source: Adapted from IWA 42:2022].
- **GHG Offsetting:** Reducing or removing emissions resulting from an action taken outside the organization's boundaries that is used to offset residual emissions from the organization. [Source: ICONTEC, 2024].
- **Absolute emissions:** a way of presenting an entity's unmitigated GHG emissions, in which the results are presented in relation to time, without correlating the result with any other variable (e.g. tCO₂e e/year). [Source: ICONTEC, 2024].
- **Neutralized emissions:** those residual GHG emissions that, after applying all technically feasible reduction measures, are offset or balanced by natural or anthropogenic GHG removals, so that the net balance of emissions with respect to those emissions is zero in a specific period and within certain limits (geographical scope, scope of emission sources, etc.). [Source: Adapted from IWA 42:2022].
- **Relative emissions:** a way of presenting an entity's unmitigated GHG emissions, in which they are related to an activity variable (e.g. tCO₂e/ton produced). [Source: ICONTEC, 2024].
- **Carbon footprint:** sum of the entity's greenhouse gas emissions and removals, expressed as carbon dioxide equivalent. [Source: ISO 14068-1:2023].
- **GHG emission reduction:** quantified reduction in greenhouse gas emissions, specifically related to or resulting from an activity between two points in time or in relation to a baseline. [Source: IWA 42:2022].
- **Direct GHG removal:** removal of a GHG from the atmosphere through GHG sinks (Direct Air Capture or DAC) or preventing the GHG from reaching the atmosphere through Carbon Capture and Storage (CCS) mechanisms, when any of these systems is within the limits defined for the subject. [Source: adapted from NTC ISO 14064-1:2020].

1. CONTEXT

Grupo Aval is one of the most important business conglomerates in Colombia, with more than 50 years of history and continuous growth. Through its main entities – such as Banco de Bogotá, Banco de Occidente, Banco Popular, Banco AV Villas, Corficolombiana and Porvenir – it operates in sectors such as financial services, pensions, infrastructure, energy, agribusiness and tourism. Thanks to this presence, it serves millions of people and companies in 96% of the national territory, promoting financial inclusion, pension savings, responsible investment and sustainable economic development.

Aware of its responsibility to the country, Grupo Aval recognizes the significant impact that its activities generate both in the environmental and social environment. In this sense, climate change has become one of the priority issues within its sustainability strategy, which is why the organization is actively working on its management, with the aim of contributing to the construction of a more resilient future and the transition to a low-carbon economy.

Climate change is one of the greatest threats to sustainable development and global financial stability. In this context, Grupo Aval, as a financial holding company¹, has identified that the main impact comes from its main entities, which concentrate most of its operations, and are grouped into 3 lines of business: 1) Banks, 2) Financial Corporation, and 3) Pension Fund Administrator.

Aware of the challenge that climate change management and other sustainability-related issues bring, Grupo Aval updated its **ESG Corporate Policy**, approved by the Board of Directors, which establishes a common framework of guidelines that guide decision-making and sustainability management in all the entities that are part of Grupo Aval.

2. INTRODUCTION

Within the framework of its ESG Corporate Policy and its commitment to sustainability, Grupo Aval, together with its main entities, made progress in defining a **Climate Strategy** that establishes clear guidelines to strengthen the management of the impacts derived from its operations.

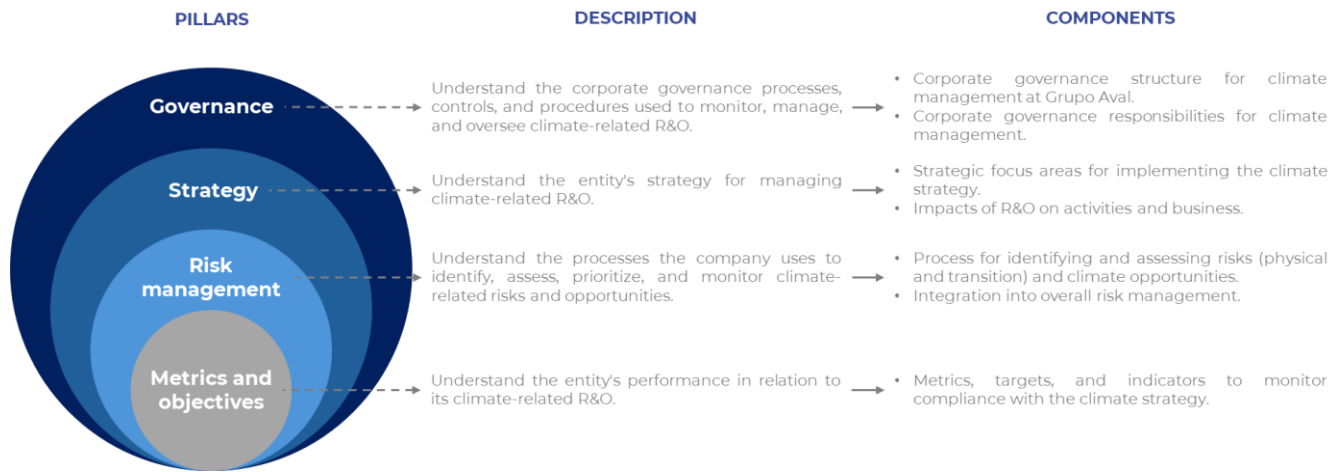
This document presents Grupo Aval's Climate Strategy, which adopts the guidelines of IFRS S2 (NIIF S2), developed by the International Financial Reporting Standards Foundation (IFRS) from the International Sustainability Standards Board (ISSB). In addition, its scope is aligned with the requirements established by External Circular 031 of 2021 (hereinafter, CE 031) of the Financial Superintendence of Colombia (hereinafter, SFC) and the requirements established for issuers belonging to Group A, who, among other requirements, must provide information on climate issues, following the recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD)² now adopted and strengthened by IFRS S2.

¹ Grupo Aval is a financial holding company that does not offer products or services directly, as it does so through its entities. For this reason, the Climate Strategy involves the most relevant entities for the Group in proportion to their controlling stake, considering financial materiality criteria: Banco de Bogotá, Banco de Occidente, Banco Popular, Banco AV Villas, Corficolombiana and Porvenir.

² While to date, the Financial Superintendence of Colombia (SFC) has not issued amendments to External Circular 031 of 2021 that expressly replace references to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) with other frameworks or standards, the clarifications published by the SFC on October 10, 2023 expose and acknowledge that the TCFD recommendations have been incorporated and strengthened in the IFRS S1 standards and S2, issued by the International Sustainability Standards Board (ISSB), which allows them to be interpreted as a natural evolution of this framework. To this extent, from a technical perspective, it is intended that Grupo Aval voluntarily adopts the provisions of IFRS S2 as a strengthened way to exercise its disclosure as a Group A issuer. The foregoing, in accordance with international advances in climate disclosure and under the principles of proportionality and materiality that guide the implementation of CE-031 of 2021.

The structure of the Climate Strategy is based on the strategic direction for the management of climate issues at the corporate level and contemplates the particular nature of its three main lines of business and is designed based on these recommendations, which are articulated around four fundamental pillars: 1) Governance, 2) Strategy, 3) Risk management, and 4) Metrics and objectives, as detailed below:

Illustration 1. Pillars of the Climate Strategy.



3. GOVERNANCE PILLAR

3.1 CORPORATE GOVERNANCE FOR CLIMATE MANAGEMENT

To address climate issues, the sustainability governance structure defined in the ESG Corporate Policy is followed, which comprehensively addresses the management of ESG issues.

Illustration 2. Corporate Governance for the climate management of Grupo Aval.



The **Board of Directors** is the highest management body in ESG matters and has the responsibility of defining the sustainability strategy and approving corporate policies related to social and environmental issues, including climate change. Their role is to ensure proper management of these aspects, and to promote the sustainable development of the organization. For monitoring and decision-making on ESG matters, the Board of Directors has the **ESG Committee**, made up of three of its members with a diversity of knowledge and preferably with experience in sustainability. This Committee analyzes the alignment of the strategy and policies with the strategic objectives of the group and with international best practices.

The **Presidency of Grupo Aval**, with the support of the **Vice Presidency of Sustainability and Strategic Projects (ESG Officer)**, is in charge of leading the sustainability strategy, communicating progress to the Board of Directors and integrating these principles into the decision-making of the business model.

The **Vice-Presidency of Sustainability and Strategic Projects** is in charge of implementing the ESG Corporate Policy, integrating the initiatives of the different areas to ensure coherent and effective management, monitoring the progress of the commitments established in ESG matters, proposing guidelines for the implementation of this Policy in the group's entities, consolidate, analyze and disclose sustainability information, and provide timely training to different stakeholders on environmental, social and corporate governance issues, including those related to climate change.

The **Corporate Vice Presidency of Risk and Compliance** is responsible for the identification and management of risks and opportunities related to social and environmental issues, including climate change.

The **Entities Sustainability Committee** is responsible for coordinating the execution of actions and promoting the adoption of best practices and international standards. Is also responsible for ensuring that ESG principles are effectively integrated into the group's sustainability strategies, strengthening regulatory compliance, risk management, operational efficiency and innovation.

In addition, two bodies – the **ESG Strategic Working Group** and the **Audit Committee** – were incorporated in a transversal way, supporting the implementation of the climate guidelines defined by the main structure, as well as their integration into the organization's business model. These bodies are also responsible for monitoring the climate change management process, mitigating its risks, and identifying and capitalizing on related opportunities.

3.2 RESPONSIBILITIES FOR CLIMATE CHANGE MANAGEMENT

Based on the previous structure, the responsibilities that strengthen supervision, management and execution for the fulfillment of the Climate Strategy have been strengthened.

Board 1. Corporate Governance responsibilities for the climate management of Grupo Aval.

| MAIN STRUCTURE | | |
|--------------------|---|-----------|
| BODY | DESCRIPTION OF RESPONSIBILITIES | TRACKING |
| Board of directors | <p>It is the highest corporate governance body, with interference in Grupo Aval's decision-making on climate matters. Their responsibilities focus on:</p> <ul style="list-style-type: none">• Approve the ESG Corporate Policy and its updates, which guarantee Grupo Aval's compliance with corporate governance, social and environmental issues, including climate issues.• Monitor and ensure that there is a strong and accountable governance structure in relation to climate matters. | Bimonthly |

| | | |
|---|--|-----------|
| ESG Committee | <p>Made up of three members of the Board of Directors, it is responsible for:</p> <ul style="list-style-type: none"> • Approve the Climate Strategy and its updates, and monitor the established climate goals, metrics, and objectives. • Supervise compliance with the metrics, goals and objectives of Grupo Aval's Climate Strategy. • Monitor the management of Climate-related risks and opportunities. • Participate in the sessions led by the Corporate Vice Presidency of Sustainability and Strategic Projects. | Bimonthly |
| Presidency | <p>The Presidency of Grupo Aval is responsible for:</p> <ul style="list-style-type: none"> • Ensure that climate change management is integrated into corporate vision, mission and strategy. • Validate and support the ESG Corporate Policy and the Climate Strategy, ensuring its consistency with international regulations and best practices. • Lead and direct the Climate Strategy and promote its implementation at all levels of the organization. | Bimonthly |
| Corporate Vice Presidency of Risk and Compliance | <p>It is the management body of Grupo Aval that is responsible for:</p> <ul style="list-style-type: none"> • Provide instructions and guidelines related to the risks and opportunities of climate change. • Integrate the identification, assessment, monitoring and control of climate risks into the comprehensive risk management system. • Ensure compliance with national and international regulations related to climate change, including regulatory reporting and ESG standards. • Identify, assess and manage climate risks and opportunities that allow adaptation and mitigation actions to be established. | Bimonthly |
| Corporate Vice Presidency of Sustainability and Strategic Projects | <p>It is the management body of Grupo Aval that is responsible for:</p> <ul style="list-style-type: none"> • Develop and update the ESG Corporate Policy and Climate Strategy. • Implement, lead and coordinate the Climate Strategy of Grupo Aval and its entities under a strategic and cross-cutting vision. • Provide instructions and guidelines related to climate change management, integrating it into policies, processes and business decisions, at Group level. • Ensure compliance with national and international standards and lead the preparation of sustainability and climate reports (TCFD, GRI, SASB). • Support the process of identifying, assessing and managing climate risks and opportunities, in coordination with the Corporate Vice Presidency of Risk and Compliance. • Regularly report to the Presidency, ESG Committee and Board of Directors on progress in climate management. • Provide training to the Board of Directors and Senior Management on the importance of climate and sustainability issues. | Permanent |
| Entities Committee | <p>Led by the Corporate Vice Presidency of Sustainability and Strategic Projects and the Sustainability Department, it has the following responsibilities:</p> <ul style="list-style-type: none"> • Manage and supervise compliance with the guidelines established by Grupo Aval, regarding ESG and climate change issues, which are applicable transversally to all entities. • Ensure the effective implementation of the Climate Strategy and the ESG Corporate Policy, coherently integrating climate, environmental, social and corporate governance objectives into the strategies and operations of the organizations that make up the conglomerate. | Monthly |

| | <ul style="list-style-type: none"> To share good practices in terms of sustainability and climate change, which allow strengthening cross-cutting management at Group level. <p><i>*It is clarified that this Committee is not a decision-making space.</i></p> | |
|------------------------------------|--|-----------|
| TRANSVERSAL STRUCTURE | | |
| BODY | DESCRIPTION OF RESPONSIBILITIES | TRACKING |
| ESG Strategic Working Group | <p>It is led and made up of staff from the Vice Presidencies of Risk and Compliance, Sustainability and Strategic Projects and Finance, to ensure the scope, integration and execution of the proposed measures in a transversal way to the organization's business model.</p> <p>It addresses environmental, climate, social and corporate governance issues that require specific actions to execute their compliance in the short term and delves into the issues presented by the ESG Committee to the Board of Directors.</p> <p><i>*The participation of other levels of the organizational chart is established as needed according to the topics and actions to be implemented within the agenda of the Working Group.</i></p> | Quarterly |
| Audit Committee | It monitors the management of climate risks and their incorporation in a transversal way within the general risk management framework of the organization, guaranteeing their systematic consideration in the processes of identification, evaluation, monitoring and control. | Annual |

4. STRATEGY PILLAR

4.1 GRUPO AVAL'S CLIMATE COMMITMENT

Grupo Aval has formalized its commitment to climate change by establishing strategic objectives that guide its entities to integrate climate management across their operations, business models, and decision-making. This strategy seeks to promote low-carbon operations and encourage environmentally responsible financing and investment.

In line with national and international frameworks, and the best practices of the financial sector, Grupo Aval has defined clear goals that allow it to move towards sustainable, resilient development aligned with the global challenges of climate change. Below are the main climate objectives that guide this vision and its implementation within the Group.

Board 2. Objectives of Grupo Aval's Climate Strategy.

| Objective | Scopes covered |
|---|---------------------------------|
| Promote a 51% reduction in emissions by 2030. | Scope 1, 2 and 3 ³ . |
| Driving carbon neutrality by 2050. | |

Grupo Aval sets these objectives as part of its commitment to promote compliance with **Colombia's Nationally Determined Contributions (NDCs)**, which are aligned with the **Paris Agreement**. This agreement sets a

³ For scope 3, including category 15 (financed emissions or from investments), gradual reduction targets will be established based on minimum viable as a result of measurements that consider valid methodologies (e.g., Partnership for Carbon Accounting Financials (PCAF), Science Based Targets initiative (SBTi) or The Carbon Neutral Protocol).

common goal among countries to keep the Earth's temperature rise below 2°C (compared to pre-industrial levels), and to do everything possible to keep it below 1.5°C.

In addition to aligning with Colombia's NDC and the Paris Agreement, these objectives are consistent with the policies and agreements set out in **Colombia's Long-Term Climate Strategy (E2050)**, in **Colombia's Third National Climate Change Communication (TCNCC)**⁴, and in the commitments promoted by the **Asociación Bancaria y de Entidades Financieras de Colombia (Asobancaria)**, for its key role in integrating sustainability and climate action within the Colombian financial sector.

Grupo Aval defined 2024 as the base year for the definition of its climate change mitigation and adaptation strategies. Below are the GHG emissions.

Board 3. Carbon footprint of Grupo Aval Holding – 2024.

| | GHG emissions (ton CO ₂ e) |
|--------------|---------------------------------------|
| Scope 1 | 4,32 |
| Scope 2 | 36,15 |
| Scope 3 | 8.406,46 |
| Total | 8.446,93 |

The following table shows the details of the categories that are included in scope 3 emissions:

Board 4. Scope 3 GHG emissions of Grupo Aval Holding – 2024.

| Categories | GHG emissions (ton CO ₂ e) |
|---|---------------------------------------|
| (1) Goods and services purchased | 470,04 |
| (2) Capital Goods | 3,88 |
| (5) Waste generated by the operation | 5,43 |
| (6) Business Travel | 5,28 |
| (7) Employee commute | 78,02 |
| Subtotal | 562,64 |
| (15) Investments or financed emissions ⁵ | 7.843,82 |
| Total | 8.406,46 |

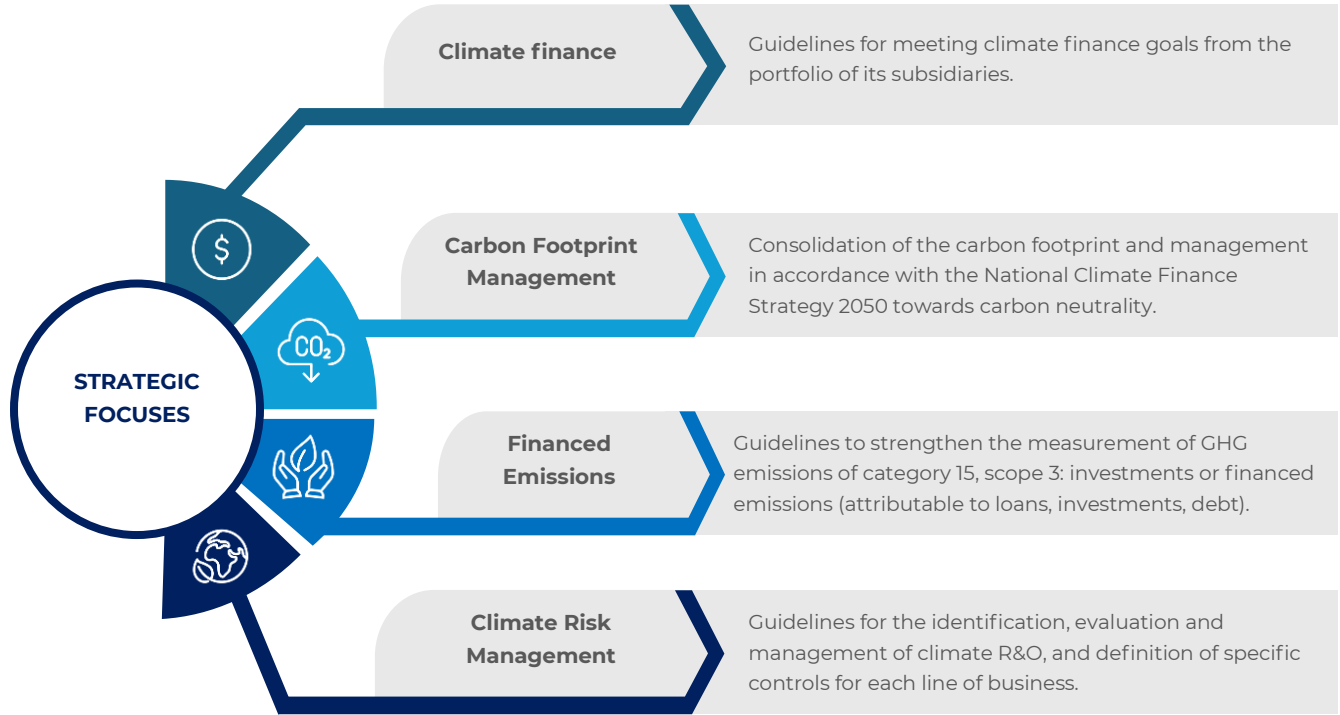
⁴ Subject to updates of national frameworks (Colombia's Fourth National Climate Change Communication).

⁵ It is important to note that the measurement of scope 3, especially category 15, is a process in constant evolution, which in turn depends on the measurements made by the entities of Grupo Aval. Therefore, the quality and accuracy of the information will be updated and perfected as each entity advances in its climate strategies.

4.2 STRATEGIC FOCUSES FOR CLIMATE MANAGEMENT

To achieve these objectives, Grupo Aval defined four strategic areas of focus for which goals, indicators, and responsible parties were established to ensure timely management.

Illustration 3. Strategic focuses for Grupo Aval's climate management.



For the implementation of the Climate Strategy, actions have been established for each of the strategic focuses as shown in the following table:

Board 5. Actions defined by strategic focus.

| STRATEGIC FOCUS | ACTION | DETAIL OF THE ACTION |
|-----------------|--|--|
| Climate finance | Establish guidelines for the strengthening of the green portfolio, especially the climate portfolio, in Grupo Aval entities. | <ul style="list-style-type: none"> Propose climate financing goals aligned with <i>Asobancaria</i> green portfolio growth goals (placement and fundraising through Green Financial Products, especially climate products). Establish reference metrics, according to the Green Taxonomy of Colombia, that allow categorizing the destinations of use of financing. Benchmark existing Green Financial Products in the market to identify alternatives that strengthen the current lines of the green portfolio. Conduct a qualitative feasibility analysis and prioritization of Green Financial Products. Conduct a quantitative feasibility analysis that defines costs, complexity, and implementation capacity of the three alternatives. Prioritized. Define the financial and technical characteristics of viable Green Financial Products based on quantitative analysis. Design and execute a market strategy for the new Green Financial Products. |

| | | |
|------------------------------------|--|---|
| Carbon Footprint Management | Comprehensively manage the GHG emissions of Grupo Aval and its entities. | <ul style="list-style-type: none"> • Perform the annual measurement of GHG emissions for scope 1 and 2, ensuring coverage for 100% of operations • Carry out the annual measurement of GHG emissions for scope 3, including category 15, and at least the categories: 1) Goods and services purchased, 2) Capital goods, 5) Waste generated by the operation, 6) Business trips, and 7) Employee displacement, established in the GHG Protocol. • Develop reduction, compensation⁶, and operational neutralization⁷ plans, prioritizing the maximum possible reduction of GHG emissions and complementing this with actions to capture, remove, and offset residual emissions. |
| | Establish decarbonization plans in Grupo Aval and its entities. | <ul style="list-style-type: none"> • Formulate and implement its decarbonization plan, ensuring the progressive reduction of operational emissions (scopes 1 and 2) and, subsequently, the inclusion of gradual goals for the management and reduction of scope 3 emissions. • Consolidate and monitor progress, ensuring alignment with global and national commitments (IFRS S2, TCFD, E2050, NDC, Green Protocol, Circular 031 – SFC, SBTi, among others). |
| | Disclose relevant information on the management of GHG emissions (including reduction, removal, and offsetting). | <ul style="list-style-type: none"> • Consolidate, integrate and disclose annual information on progress in reducing emissions, removals and use of offsets (including carbon credits or equivalent projects), in order to strengthen climate transparency and provide traceability to the neutralization of emissions. |
| Financed emissions | Strengthen the quantification and management of financed emissions (category 15) in Grupo Aval and its entities. | <ul style="list-style-type: none"> • Develop and improve their capacities to measure, manage and disclose their financed emissions, in order to identify the most emissions-intensive sectors and activities within the portfolio. • Establish mitigation initiatives that allow the intensity of the financed emissions to be progressively reduced. • Promote the progressive reduction of the intensity of financed emissions (tCO₂e/monetary unit financed), respecting the particularities and goals of each entity. |

5. RISK MANAGEMENT PILLAR

5.1 ANALYSIS OF RISKS AND OPPORTUNITIES ASSOCIATED WITH CLIMATE CHANGE

Climate risks, both physical (such as extreme weather events) and transition risks (regulatory, technological and market changes), may affect the solvency and profitability of the assets financed, as well as the financial stability of Grupo Aval and its entities.

For this reason, with the support of the global consulting firm ERM, an analysis of risks and opportunities associated with climate change was carried out as a fundamental step to:

- Identify and proactively manage the impacts that climate change may have on the investment portfolio, loan portfolio, operations and physical assets of Grupo Aval and its entities.
- Identify strategic transition opportunities to contribute to a low-carbon economy, through the financing of sustainable projects, innovation in green financial products and the development of new lines of business.

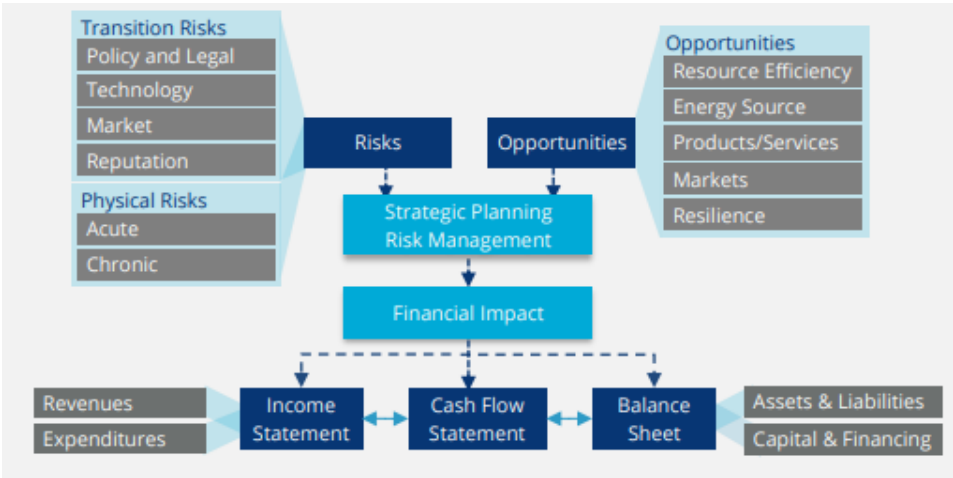
Although climate change impacts almost all sectors, the type and level of risk vary depending on the sector, industry, location, and organization. For this reason, for Grupo Aval as a leader in the financial sector, it is key that

⁶ The compensation must have its respective certificate.

⁷ The reduction and neutralization must be supported by verification under recognized standards to align with international reporting frameworks such as: GHG Protocol, ISO 14064 or The Carbon Neutral Protocol.

investors, lenders and insurers have sufficient information to understand how these risks and opportunities may influence the future financial situation of the organization, including its profits, cash flow and assets.

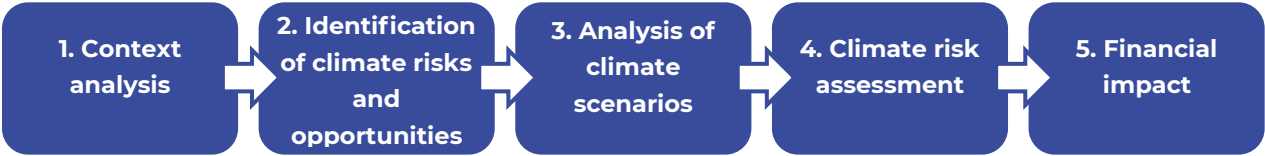
Illustration 4. Climate-related risks, opportunities and financial impact⁸.



5.2 METHODOLOGY FOR THE IDENTIFICATION OF CLIMATE RISKS AND OPPORTUNITIES

The methodology applied to identify Grupo Aval's potential climate risks and opportunities was as follows:

Illustration 5. Methodology applied for the identification of climate risks and opportunities.



5.2.1 CONTEXT ANALYSIS

An exhaustive analysis of the internal and external context was carried out. First, the internal analysis included the review of Grupo Aval's double materiality exercise, complemented by the results of consultations carried out with key areas of the holding company such as risks and compliance, sustainability, strategic planning, among others. In addition, the diagnosis of the state of progress of climate management in the Group's entities was integrated, based on interviews and documentary reviews.

Subsequently, an external analysis was conducted using benchmarking to examine other leaders in the financial sector, along with the study of economic, social, regulatory, technological, market, reputational and cultural factors. In addition, a review of key national and international guidelines and frameworks for climate management was incorporated, such as: Colombia's Nationally Determined Contributions (NDCs), Asobancaria's Green Protocol, Colombia's Green Taxonomy, among others.

⁸ Image taken from the Recommendations of the Task Force on Climate-related Financial Disclosures – TCFD (2017).

5.2.2 IDENTIFICATION OF CLIMATE RISKS AND OPPORTUNITIES

The process of identifying climate risks allows us to recognize and understand the possible impacts derived from climate change and the effects that they may generate for the organization, both in its operation and in its financial and reputational environment. To this end, the different stages of Grupo Aval's value chain were analyzed, considering its role as a financial holding company, encompassing **upstream activities**, corresponding to the strategic and support functions that the organization exercises at the corporate level; **its own operations**, which include internal operational activities that generate direct impacts; and **downstream** activities, related to the indirect impacts generated through their entities.

Subsequently, a comprehensive mapping of the possible risks and opportunities associated with climate change that may affect its operation, investment portfolio and regulatory environment was carried out. In this process, **physical risks** were considered, which include acute climatic events such as floods and hurricanes, as well as chronic risks such as rising temperatures and water scarcity; **transition risks**, associated with regulatory, technological, market and reputational changes derived from the transition to a low-carbon economy; and **climate opportunities**, arising from innovation in sustainable financial products, improved operational resilience and the possibility of leveraging regulatory and market incentives to foster such a transition.

5.2.3 CLIMATE SCENARIO ANALYSIS

The analysis of climate scenarios allows the evaluation of the possible impacts of climate change on operations, investment portfolios and business relationships.

5.2.3.1 ANALYSIS OF PHYSICAL CLIMATE HAZARDS

The physical climate risk analysis for Grupo Aval was based on the capital balance of the banking business line and on climate data available at the departmental level, extracted from the Third National Communication on Climate Change of Colombia – TCNCC (IDEAM, 2017). To perform this analysis, an average assembly method was used that considers several science-based climate scenarios: RCP 2.6, 4.5, 6.0 and 8.5.

Representative Concentration Trajectories (RCPs) are theoretical projections that describe different future scenarios of greenhouse gas concentrations in the atmosphere, adopted by the Intergovernmental Panel on Climate Change (IPCC). These trajectories allow the potential impact of climate change to be modelled under different levels of emissions and are therefore critical for identifying and assessing the physical climate risks to which an entity may be exposed, such as changes in temperature, precipitation and extreme events, helping to anticipate and plan effective adaptation measures.

5.2.3.2 TRANSITION CLIMATE RISK ANALYSIS

The transition risk scenario proposed to achieve the Paris Agreement targets is based on the assumption that both governments and the private sector will have to take decisive action to limit global temperature rise to between 1.5 and 2.0 °C by 2050. This will imply significant reductions in greenhouse gas (GHG) emissions by 2030. As a result, an increase in transition risks is expected that will have a considerable impact on all companies.

The consolidation of risks and opportunities by category, with the impact scenarios, is detailed below⁹.

⁹ This exercise will be updated every 3 years, or when there are material changes that imply its updating.

Board 6. Analysis of climate risks and opportunities, and impact scenarios.

| Category | Risks | Opportunities | Possible scenario and impact (IEA NZE2050) | Indicative impact |
|------------------|--|--|---|--|
| Policy and Legal | <ul style="list-style-type: none"> • Limitations on the ability to generate value in entities due to the increase in taxes or fees on carbon emissions. • New regulations that establish stricter limits on the generation of GHG emissions. • Possible penalties for disclosure of unverified information on climate management, under new and more robust transparency requirements. • Inability to monitor compliance with regulatory requirements and climate policies applicable to the productive sectors represented in the entities' investment portfolio. | <ul style="list-style-type: none"> • Implement robust mechanisms for the assessment and mitigation of legal risks related to climate change, reducing potential sanctions and litigation, and strengthening market confidence. • Prepare entities for compliance with emerging climate regulations, anticipating legal requirements on climate risk disclosure and management, which strengthens reputation and reduces legal risks. • Actively participate in the design and updating of regulatory frameworks and climate policies, contributing to the definition of sustainable financial standards and benefiting from derived business opportunities. | Scenario NZE2050 calls for carbon prices >100 USD/tCO ₂ in 2030 in developed economies and later in emerging economies; increased regulatory scrutiny. | <p>Costs: 10–20% increase in compliance expenses and reporting systems.</p> <p>Income: stability through access to sustainable markets.</p> <p>Asset exposure: high risk, in portfolio with carbon-intensive sectors.</p> |
| Reputation | <ul style="list-style-type: none"> • Negative perception of banks by stakeholders for offering financial products that do not meet sustainability criteria, especially climate-related ones. • Loss of stakeholder confidence and negative impact on reputation associated with poor management of climate issues. • Institutional reputation is affected by exposure to carbon-intensive or vulnerable sectors due to disputes in their business activities. • Loss of attraction of new customers looking for financial institutions aligned with environmental criteria. • Exclusion of productive sectors that are part of the financing and investment | <ul style="list-style-type: none"> • Formalize Grupo Aval's climate commitment through policies that include guidelines for the placement, capture and investment of resources in climate assets or low-emission technologies. • Participating in alliances, networks, and certifications related to sustainability strengthens corporate image and opens doors to new business opportunities. • Improve the Group's image through its ability to anticipate and manage climate risks, which helps attract investors. • Generate greater trust among customers, regulators, investors, the general public and other stakeholders by improving the transparency and | Under NZE2050, reputational pressure increases and institutions without climate credentials are excluded. | <p>Costs: Potential losses from client divestment (2–5% of portfolio at risk).</p> <p>Revenue: potential growth in sustainable banking (+5–10%).</p> <p>Asset exposure: high, in sectors such as coal, oil or cement.</p> |

| | | | | |
|----------------------|--|--|---|---|
| | portfolio of the entities, which could affect profitability or generate commercial conflicts. | quality of climate information disclosure. | | |
| Market | <ul style="list-style-type: none"> • Deterioration of market positioning due to the perception of inaction in the face of climate change and the lack of climate criteria in the creation of sustainable loans, which prevents the real exposure of commercial banks to climate risks from being transparently communicated. • Financial losses at the credit portfolio level due to the non-payment of companies with greater exposure to physical and/or transition climate risks. • Restriction of financing to companies in carbon-intensive sectors due to stricter climate regulations, which could translate into financial losses. • Losses on stock market operations arising from investments in assets or issuers, both local and international, with high carbon intensity and vulnerable to the risks associated with the transition to a low-emission economy. | <ul style="list-style-type: none"> • Design and offer financial products that comply with legal requirements and public policies related to the energy transition and emissions reduction, capturing the growing demand of responsible investors and customers. • Increase investment in diversified, resilient assets and portfolios prepared for the energy transition and towards a low-carbon economy. • Increase investment and financing in low-emission sectors that represent new business opportunities. • Reduce uncertainty in decision-making processes on growth and new sustainable business models, through the strengthening of controls on climate risks. | NZE2050 reduce demand for fossil fuels by >75% by 2050; growth of renewable energies, electric mobility solutions. | <p>Costs: impairment of carbon-exposed portfolio (risk 5–15% of additional NPLs in carbon-intensive sectors).</p> <p>Revenues: 20–30% increase in green products and sustainable bonds.</p> <p>Asset exposure: risk of depreciation 15–25% of fossil fuel companies.</p> |
| Technological | <ul style="list-style-type: none"> • Possible decrease in the bank's profitability due to an increase in loan portfolio delinquency as a result of higher operating expenses for customers associated with the adoption of new low-emission technologies. • Financing or investing in emerging technologies for the energy transition may involve high uncertainty in terms of technical feasibility, scalability and alignment with climate | <ul style="list-style-type: none"> • Increased development and use of simulation models that integrate climate and economic variables (by sector and geography) to project financial impacts to improve decision-making. • Implementation of climate scoring systems to evaluate and qualify the level of risk or climate performance associated with clients, projects or investments. | NZE2050 requires massive deployment of renewable energy, electrification, and emerging technologies (hydrogen, carbon capture). | <p>Costs: Investments in IT and climate systems; 15–25% increase in CAPEX from modernization.</p> <p>Revenue: new climate risk analysis services (margin increase between 3–5%).</p> <p>Asset exposure: medium, if</p> |

| | | | | |
|----------------------------|---|---|---|---|
| | <p>goals, generating financial and strategic risks for the Group.</p> <ul style="list-style-type: none"> • Increase in unforeseen operating and investment costs due to the need to replace and update technological infrastructure if it does not meet energy efficiency and sustainability standards, required by climate regulation or market expectations. | <ul style="list-style-type: none"> • Improve the infrastructure for the generation of climate information and data, through the development of platforms that allow the evaluation of sectors, assets and geographical areas with a scientific basis and generate reports to comply with regulations on climate disclosure. • Implement measurement and monitoring tools that allow quantifying indirect emissions (scope 3) in credit or investment portfolios. | | <p>technological update is delayed.</p> |
| Physical asset risk | <ul style="list-style-type: none"> • Reduction in the Group's ability to generate economic value, due to lower market confidence in its profitability and return on investments, as a result of exposure to extreme weather events, both chronic and acute. • Risk of operational interruption or loss of assets in the Group's entities due to the materialization of chronic and acute physical events. | <ul style="list-style-type: none"> • Implementation of climate resilience assessment processes applied to the company's own infrastructure to guarantee operational continuity and in the provision of digital services. • Increase financing and investment in projects that improve physical resilience to extreme weather events, such as sustainable infrastructure or adaptive technologies, reducing losses and strengthening operational continuity. • Implement improvements in energy efficiency and use of renewable energies in the facilities and own assets, reducing operating costs and carbon emissions. | <p>Although NZE2050 mitigates long-term physical risks, extreme events continue to increase in the short and medium term.</p> | <p>Costs: Direct operational damages estimated at 2–5% of annual OPEX if there is no resilience.</p> <p>Revenue: New business in adaptation financing.</p> <p>Asset exposure: medium-high, in vulnerable areas (e.g. offices, data centers).</p> |

5.2.4 CLIMATE RISK ASSESSMENT

Once the climate risks and opportunities had been identified, the probability of occurrence and potential impact of each identified risk was assessed. Analysis methodologies were applied through probability and impact matrices, analysis of climate scenarios and financial valuations. Subsequently, risks and opportunities were prioritized based on materiality and their strategic impact on the business.

This assessment covers the entire value chain of Grupo Aval, as a financial holding company:

- **Upstream activities:** these include the cross-cutting formulation of corporate guidelines, policies, and strategies, as well as the supervision of the performance of the main entities. It also comprises consolidated risk management, corporate governance, supplier management, and compliance with local and international regulations at the group level. Similarly, reference climate scenarios (TCNCC and IPCC) were considered.

- **Own operations:** these include the collection, management, and analysis of internal data, such as energy consumption, greenhouse gas emissions, environmental footprint, and other indicators derived from our relevant direct operations.
- **Downstream activities:** although Grupo Aval, as a holding company, does not directly deliver products or services, these activities are reflected in the management of the value generated by its subsidiaries, communication with investors, and the management of stakeholder relations at the corporate level. Also included are consolidation and financial reporting, strategic decision-making that impacts operations, and the management of exposed assets, such as the investment portfolio and loan portfolio, which reflect the group's financial and operational exposure..

5.2.4.1 PHYSICAL CLIMATE RISK ASSESSMENT

This exercise aimed to prioritize Colombia's departments based on their relative climate risk, integrating key financial variables of Grupo Aval's banking entities with the country's official climate information. This is a quantitative analysis that allows us to guide strategic decision-making in terms of risk management, sustainability and adaptation to climate change within the territorial portfolio of the Group's banking institutions.

Physical weather risks can be:

- **Acute:** are those derived from extreme and sudden weather events such as floods, hurricanes, intense storms or cyclones, among others. These events cause immediate and severe impacts on natural, social, and economic systems.
- **Chronic:** refer to the risks associated with gradual and prolonged climate changes, such as sustained temperature increases, sea level rise or water scarcity. These risks affect progressively and can generate profound and lasting alterations in ecosystems and communities.

This approach allows us to identify the territories with the highest concentration of climate risk adjusted for financial exposure, which is essential for materiality analysis and strategic prioritization processes.

5.2.4.2 TRANSITION CLIMATE RISK ASSESSMENT

Supported by the experience of climate change specialists, this assessment combined, on the one hand, the analysis of regulatory, technological, market, and behavioral changes associated with the transition to a low-carbon economy and, on the other hand, the integration of available climate data and information, in order to understand how these factors may impact the business model, customer portfolio, and investments.

Subsequently, a qualitative and quantitative analysis was carried out to estimate the probability of occurrence and the potential impact of these risks in financial and operational terms. Finally, the results are incorporated into risk management and strategic planning, making it possible to anticipate future scenarios and adapt operations, as well as the product and service offer of the Group's entities, with the sustainability requirements of the market and regulators.

5.2.4.3 FINANCIAL IMPACT

The integration of the impacts caused by climate change with financial risks was done through a matrix of identification, consolidation and monitoring of prioritized climate risks.

Board 7. Matrix for consolidation and monitoring of prioritized climate risks.

| Type of financial risk | Climate Risk Category | Prioritized climate risk | Transmission Channel - Cause | Impact / Probability / Timeframe | Impact on the State of Financial Position |
|---------------------------------------|---|--|--|---|--|
| Market. Liquidity. Operational. | Determine the risks prioritized by the Group. | Prioritized risk with impact on the Group. | Ways in which the effect of an impact on the state of the financial situation is followed. | Senior Management qualifications to prioritize climate risks. | Level of impact of climate risk on financial variables |

This process allows for the design of Group-level guidelines that define a framework for climate risk appetite, including their respective tolerance margins. It also facilitates the establishment of thresholds to qualitatively categorize the financial variables associated with these risks and allows their quantification through financial modelling that reflects the magnitude of each climate risk in the financial situation of the entity. It is relevant for Grupo Aval to translate these climate R&O into terms of financial losses (at the risk level) and capitalization of opportunities to establish climate change mitigation criteria.

| Financial path | Assets | | | | | | |
|----------------|-------------|--------|---------------|--------|---------------|--------|---------------|
| | Liabilities | | | | | | |
| | Equity | | | | | | |
| | Income | | | | | | |
| | Expenses | | | | | | |
| | | Risk 1 | Opportunity 2 | Risk 3 | Opportunity 4 | Risk 5 | Opportunity 6 |
| Climate risks | | | | | | | |

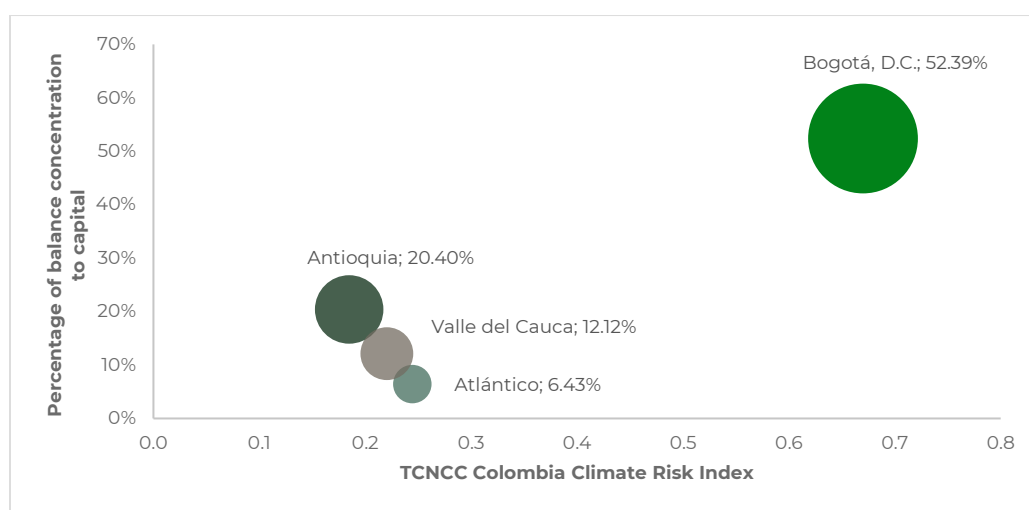
5.3 RESULTS

5.3.1 PHYSICAL RISK RESULTS

As a result of the physical risk analysis, the following information was obtained for each Grupo Aval business line.

In the case of banks, the capital balance of the four banks in the group was taken as a reference, finding that more than 65% is concentrated in the city of Bogotá and the departments of Antioquia, Valle del Cauca y Atlántico.

Illustration 6. Analysis of physical climate risks for Grupo Aval banks.



Acute and chronic physical risks were identified for each of these geographical areas with the highest portfolio concentration and the productive sectors with the highest exposure were related.

Board 8. Acute and chronic risks and exposure to productive sectors.

| Acute risks | Exposed productive sectors | Chronic risks | Exposed productive sectors |
|----------------|---|-------------------------------|--|
| Urban flooding | Housing, commerce, urban infrastructure, insurance. | Increase in urban temperature | Energy, health, housing, insurance, trade. |
| Slide | Social housing, road infrastructure, microcredit. | Urban water stress | Utilities, water infrastructure, industry. |
| Forest fires | Conservation, tourism, urban planning, real estate. | Infrastructure vulnerability | Construction, insurance, real estate projects. |

Once the prioritized departments were selected, the identification and analysis of acute physical risks was carried out, using information from the Third National Communication on Climate Change of Colombia – TCNCC and the National Unit for Disaster Risk Management – UNGRD for each department. And for chronic risks, data from the TCNCC is used, taking the average of the RCP scenarios: 2.6, 4.5, 6.0, and 8.5, for the time horizons: 2011-2040, 2041-2070, and 2071-2100.

Board 9. Analysis of physical risks in departments where the portfolio of Aval banks is concentrated.

| Department | Change in average temperature (°C) | | | Change in precipitation (%) | | |
|-----------------|------------------------------------|-----------|-----------|-----------------------------|-----------|-----------|
| | 2011-2040 | 2041-2070 | 2071-2100 | 2011-2040 | 2041-2070 | 2071-2100 |
| Bogotá | 0,8 | 1,4 | 2,2 | 7 | 10 | 8 |
| Antioquia | 0,8 | 1,4 | 2,2 | 5 | 7 | 9 |
| Valle del Cauca | 0,9 | 1,6 | 2,4 | 7 | 6 | 6 |
| Atlántico | 1,1 | 1,6 | 2,2 | -7 | -10 | -11 |

| Value table – Temperature (°C) | | |
|--------------------------------|-------------------------|--|
| Change | Temperature Value Range | |
| Low | 0 – 0,5 | |
| Low medium | 0,51 – 1 | |
| Medium | 1,1 – 1,5 | |
| Medium high | 1,51 – 2 | |
| High | 2,1 – 3,9 | |

| Value table – Precipitation | | |
|-----------------------------|----------|--|
| Change | % | |
| Severe deficit | <= -40 | |
| Deficit | -39; -11 | |
| Normal | -10; 10 | |
| Excess | 11; 39 | |
| Severe excess | >= 40 | |

In the case of Corficolombiana, the physical risks that the company evaluated for each of its investments in its respective sector (agribusiness, infrastructure, hospitality, and energy and gas) were taken as reference.

Board 10. Physical risks of Corficolombiana.

| Risk | Risk Description | Consequence | Impact at COP 2024 | Risk level | Risk threshold | Interpretation | Sensitive sector |
|-------------------------|---|---|--|------------|----------------|--|---|
| Heavy rains | Housing, commerce, urban infrastructure, insurance. | <ul style="list-style-type: none"> Floods. Increased. | \$163,702,500,001 to 1,000,000,000,000 | Extreme | Capacity | The maximum limit of deviation has been exceeded, compared to the risk posed to its strategy. | <ul style="list-style-type: none"> Infrastructure. Energy & Gas. Agroindustry. |
| Rains | Increased average annual rainfall pattern manifests itself in lower long-term temperature records both locally and globally. | <ul style="list-style-type: none"> River or creek overflows. Increased soil saturation. Mass removal events. | \$149,000,000,001 to 1,000,000,000,000 | | | | |
| Increase in temperature | It manifests itself in ever-increasing long-term temperature records both locally and globally, relative to the pre-industrial average temperature. | <ul style="list-style-type: none"> Forest fires. Damage to the asphalt layer. Increased energy consumption. | \$32,740,500,001 to \$163,702,500 | High | Tolerance | Allowable deviation for compliance of the strategy that does not put the entity at excessive risk. | <ul style="list-style-type: none"> Energy & Gas. Tourism. Infrastructure. |

Finally, in Porvenir's investments, climate risk represents the possibility that weather events and changes in environmental policies will affect the performance and value of the portfolio. Porvenir carries out an assessment of the vulnerabilities at the investment level to which a portion of the managed portfolio is exposed to the risks and opportunities of climate change.

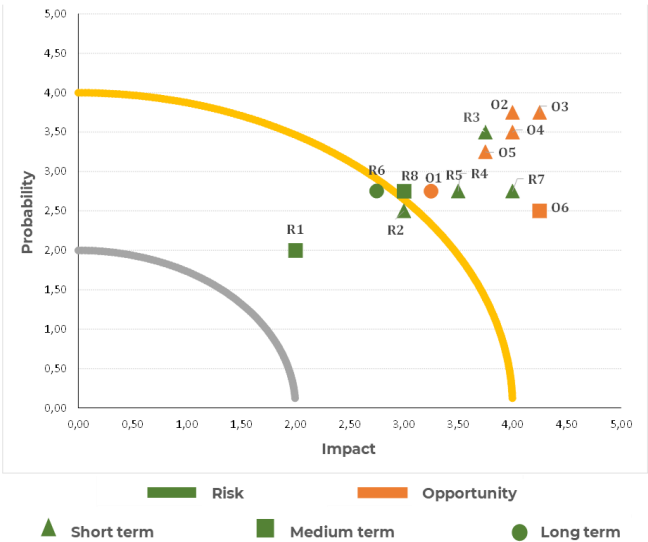
Board 11. Physical risks of Porvenir.

| Ranking | Sector | Acute Risks | Chronic Risks |
|---------|--------------------|-------------|---------------|
| 1 | Real Estate | High | Medium |
| 2 | Construction | High | Medium |
| 3 | Building materials | High | High |
| 4 | Hydrocarbons | High | High |

5.3.2 TRANSITION RISK RESULTS

A list of climate risks and opportunities that could be relevant to Grupo Aval's value creation was drawn up and then prioritized based on their potential impact on the Group's financial performance. This process was carried out with Grupo Aval's senior management, yielding the following results:

Illustration 7. Results of transition risks.



| Category | Prioritized risks |
|-----------------|---|
| Market | R7 Loss of positioning due to climate inaction. |
| Political | R3 Technical capability limitations for climate regulatory compliance. |
| Reputation | R4 Negative perception due to inconsistencies in the climate strategy. |
| Reputation | R5 Climate management perceived as insufficient. |
| Physical assets | R8 Loss of value due to the impact of extreme weather events. |

| Category | Prioritized opportunities |
|-----------------|---|
| Reputational | O03 Recognition for strategic use of climate scenarios and data. |
| Physical assets | O6 Comprehensive management of resilience to physical risks. |
| Reputational | O2 Differentiation by leadership in climate transparency. |
| Market | O4 Resilient climate finance solutions. |
| Technological | O5 Strategic value for climate digital transformation. |
| Political | O1 Competitive advantage due to early adaptation to the climate framework. |

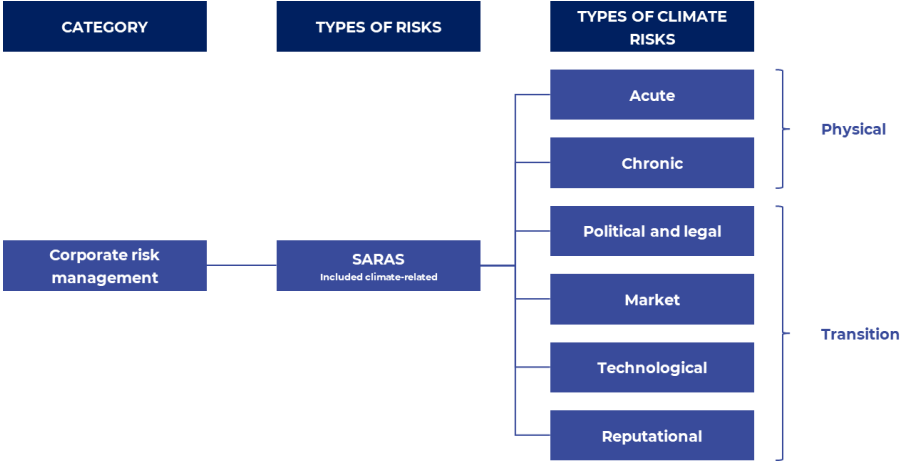
5.4 PROCESS FOR MANAGING CLIMATE RISKS AND OPPORTUNITIES

Climate risk management is integrated across the organization's overall risk management framework, ensuring that it is systematically considered in identification, assessment, monitoring, and control processes. This integration aligns the physical and transition risks arising from climate change with traditional risk categories such as credit, market, operational, and reputational risk, providing a consolidated view of the potential impacts on financial and operational stability.

Within the category of corporate risk management of Grupo Aval, which are inherent to the development of the corporate purpose of the entities that make up the Financial Conglomerate, with the management being the direct responsibility of each entity. The role of Holding is to support the definition of guidelines and monitor the risk levels defined by the Boards of Directors of the entities.

In Grupo Aval's risk taxonomy, risks related to climate change are part of the SARAS (Environmental and Social Risk Management System) typology. Its analysis is based on probability and impact criteria, identifying physical risks, which can be acute or chronic, and transitional, which include political, legal, market, technological and reputational aspects.

Illustration 8. Integration of climate risks into the general risk system of the Guarantee Group.



Grupo Aval has established guidelines for risk management in its lines and business model, with the purpose of mitigating the impacts of climate change and its financial implications¹⁰ on its entities, in the face of the possible materialization of physical and transition risks.

To achieve this purpose, specific actions have been defined that allow Grupo Aval to supervise, manage and apply control measures aimed, on the one hand, at mitigating the possible materialization of climate risks and, on the other, at capitalizing on climate opportunities. These actions seek to extend to the strategic levels of the organization, thus integrating climate risk management into the Group's corporate strategy.

Board 12. Actions from risk management to execute the climate strategy.

| STRATEGIC FOCUS | ACTION | DETAIL OF THE ACTION |
|-------------------------|--|---|
| Climate Risk Management | Establish guidelines and guidelines for identification, analysis, and monitoring of climate risks. | <ul style="list-style-type: none"> Grupo Aval defines guidelines for climate risk analysis. Grupo Aval defines guidelines for the analysis of climate scenarios. Grupo Aval periodically evaluates the transmission mechanisms for the Group's operational, market, liquidity and other financial risks based on the consolidation of the information provided by the entities. Grupo Aval supervises and consolidates the adoption of the process of identifying climate risks and opportunities within the Environmental and Social Risk Management System (SARAS). |

¹⁰ For example, a reduction in the payment capacity of bank customers, a reduction in the value of critical financial and physical assets of portfolio operations, withdrawal of deposits and lines of credit and investment, or direct effects on the organization's processes.

| | | |
|--|--|---|
| | Establish the common methodological process for Grupo Aval Holding and its entities to establish and integrate an Internal Carbon Price (ICP) in their internal operations. | <ul style="list-style-type: none"> • A methodological process will be established for Grupo Aval Holding and its entities to define an Internal Carbon Price in their operations, in order to identify and manage the impact associated with their emissions and strengthen strategic decision-making. • Progressively, the ICP will also be used to assess, at the level of internal knowledge, the impact of financing and investment activities in terms of emissions, strengthening climate risk management at the corporate level. |
| | Assess the progressive transition in sectors with high climate risk. | <ul style="list-style-type: none"> • Define the level and type of climate risks that the Group is willing to assume in order to meet its strategic, financial and climate objectives. • Establish guidelines that respond to both physical risks (such as extreme events that affect assets and operations), and transition risks (regulatory, technological, and market changes linked to decarbonization). • Align with international standards and frameworks such as IFRS S2 or NGFS and articulate with the Long-Term Climate Strategy (E2050) and voluntary alignment instruments such as the Colombian Green Taxonomy (TVC). • Consider, in the climate risk appetite, the Group's commitments towards carbon neutrality and the requirements of the Financial Superintendence of Colombia (SFC) in terms of ESG risk disclosure and management. |
| | Incorporate into the annual audit plan the assessment of the integration of climate risk management into the overall risk management framework, in order to ensure its consistency and effectiveness. | <ul style="list-style-type: none"> • The purpose of the audit plan is to validate that climate risk management is integrated into the general risk management framework of Grupo Aval and its entities as established in the Climate Strategy. |
| | Establish processes for the identification of controls aimed at mitigating operational and business continuity risks associated with climate change, thus strengthening their resilience capacity in the face of adverse weather events. | <ul style="list-style-type: none"> • Draw up climate risk mitigation controls in the portfolio, promoting decisions aligned with sustainability criteria. |
| | Promote the adoption of technical capabilities for the adoption and compliance of the Climate Strategy at Group level. | <ul style="list-style-type: none"> • Promote annual training spaces that involve updates in the regulatory requirements on sustainability for the Senior Management and commercial force of the entities focused on the sustainable portfolio. |
| | Determine guidelines for reporting climate performance in accordance with the structure of the Group's Climate Strategy | <ul style="list-style-type: none"> • Implement the structure of the Climate Strategy within the organization in accordance with the provisions of IFRS S2 - TCFD. • Report to Grupo Aval on an annual basis the metrics and indicators established in compliance with the objectives and goals set at the Group level. |

6. PILLARS METRICS AND GOALS

Grupo Aval has defined metrics and indicators that enable it to monitor the objectives and targets of its Climate Strategy. This information helps investors and other stakeholders understand how the organization manages risks and takes advantage of opportunities related to climate change. Monitoring these indicators provides insight into each entity's progress and the level of compliance with the commitments made. This pillar, which cuts across the other pillars of IFRS S2 (Governance, Strategy, and Risk Management), reflects the coordinated work of the areas responsible for implementing the climate strategy.

6.1 MITIGATION AND ADAPTATION STRATEGIES

Climate metrics and objectives were integrated into mitigation and adaptation strategies and plans in order to guide decision-making, monitor performance, and ensure alignment with the organization's environmental commitments. This integration allows Grupo Aval to establish a clear roadmap to reduce greenhouse gas emissions, manage climate risks and increase operational resilience, ensuring that climate actions are connected to the strategic objectives of the business.

Board 13. Mitigation and adaptation plan: metrics, indicators, goals and objectives.

| Strategic focus of action | Action | Goal | Monitoring indicator or management milestone | IFRS S2-aligned metric | Responsible Area | Strategy |
|---------------------------------|--|--|---|--|---|----------------------------|
| GOVERNANCE | | | | | | |
| Organizational structure | Assign a Board-level officer to address climate issues. | Not applicable. | • Selection criteria for a member with a qualified profile to provide guidance on climate management in the financial sector. | Not applicable. | Corporate VP of Sustainability and Strategic Projects. | Mitigation and adaptation. |
| | Establish the frequency and oversight mechanisms for reporting to the Board of Directors and senior management on climate matters. | Not applicable. | • Climate strategy approved by the Board of Directors. • Regulations of the Board of Directors and its committees with oversight functions on climate matters. | • Number of meetings with the Board of Directors to discuss climate matters/year. • Number of climate reports submitted to the Board/year. | Corporate VP of Sustainability and Strategic Projects. | Mitigation and adaptation. |
| | Raise awareness among the Board of Directors and senior management on the importance of climate-related issues. | Not applicable. | • Board of Directors and senior management sensitized and trained on climate issues. | • Number of training courses for the Board of Directors and senior management / year. • Number of people from the Board of Directors and senior management trained. | • Corporate VP of Sustainability and Strategic Projects. • VP of Risks and Compliance. | Mitigation and adaptation. |
| | Design and evaluate an incentive and executive remuneration system aligned with climate and sustainability objectives. | By 2026, Grupo Aval Holding will have a designed and evaluated executive remuneration system that considers the inclusion of climate and sustainability goals as part of strategic incentives. | • Status of progress of the climate remuneration system (by phases: designed, evaluated, approved, in execution, under monitoring). • Percentage of executive compensation linked to climate considerations. | • Number of climate criteria assessed and included in the incentive scheme. | • Corporate VP of Sustainability and Strategic Projects. • VP of Risks and Compliance. • VP of Finance. | Mitigation and adaptation. |
| Policy | Update the ESG Corporate Policy including the climate commitment. | Not applicable. | • ESG Corporate Policy updated with the climate commitment (Climate Strategy as an annex). | • Number of updates to the annual Climate Strategy. <i>*Subject to regulatory updates, emerging, transitional risks.</i> | • Corporate VP of Sustainability and Strategic Projects. | Mitigation and adaptation. |
| Account | Report on the management of climate issues with | Not applicable. | • Annual Climate Change Report. | • Disclosure of quarterly and year-end reports of the SFC. | • Corporate VP of Sustainability and Strategic Projects. | Mitigation and adaptation. |

| | inputs from Climate Strategy. | | • Reporting of changes in material matters (quarterly). | • Disclosure of information requirements of CE 04 and 031. | • VP of Finance. | |
|---------------------------|--|---|--|---|---|-------------|
| Strategic focus of action | Action | Goal | Monitoring indicator or management milestone | IFRS S2-aligned metric | Responsible Area | Strategy |
| STRATEGY | | | | | | |
| Climate finance | Establish guidelines for the fulfillment of goals for the placement and attraction of green financial products, especially climate ones. | Banks: <ul style="list-style-type: none"> Promote a green portfolio goal in banks by 2030 that represents 11% of the commercial portfolio. Promote, at the Group level by 2030, a sustained market share of 20%¹¹ of the green portfolio target established by Asobancaria. | • Annual green portfolio growth of ____ ¹² %. | • Market share % = (Balance of green portfolio related to the commercial portfolio) / (Total commercial portfolio of Asobancaria). <i>*Based on the selected market growth scenario - Asobancaria.</i> | • Corporate VP of Sustainability and Strategic Projects. • VP of Risks and Compliance. • VP of Finance. | Mitigation. |
| | | All entities: Establish green criteria according to the use and disposition of resources from the capital market. | • Number of investments made categorized with green criteria. • Financial volume (amount (\$)) of investments made with green criteria. | Not applicable. | • Corporate VP of Sustainability and Strategic Projects. • VP of Risks and Compliance. • VP of Finance. | |

¹¹ Currently, Grupo Aval's market share represents 20% of the total market (limited to Asobancaria), where the green portfolio as of 2024 amounted to COP 29.3 bill and Grupo Aval's to COP 5.8 trill.

¹² To meet the market share of the green portfolio of 20% with respect to Asobancaria's assumption that estimates 140 trill by 2030 (a figure currently under review by the guild), the green portfolio of the Group's Commercial Banking should grow by approximately 30% per year.

| | | | | | | |
|------------------------------------|---|--|--|--|--|-------------|
| Carbon Footprint Management | Carry out comprehensive management of GHG emissions in scopes 1 and 2 of Grupo Aval and its entities ¹³ . | Comprehensively manage scope 1 and 2 GHG emissions, prioritizing the maximum possible reduction and complementing it with capture, removal, and compensation actions. In this way, residual operational emissions are neutralized, in coherence with Colombia's climate commitments and the Paris Agreement. | <ul style="list-style-type: none"> • Generation of absolute GHG emissions (scope 1 and 2). • Reduction of GHG emissions (scope 1 and 2) of Grupo Aval and entities. • Removal of GHG emissions (scope 1 and 2) from Grupo Aval and entities. • Offsetting GHG emissions (scope 1 and 2) of Grupo Aval and entities. • Neutralization of GHG emissions (scope 1 and 2) of Grupo Aval and entities. | <ul style="list-style-type: none"> • Amount of absolute GHG emissions generated (in tCO₂e) from scopes 1 and 2. • Amount and percentage of reduced GHG emissions (in tCO₂e) of scopes 1 and 2 compared to the base year. • Amount and percentage of GHG emissions removed (in tCO₂e) from scopes 1 and 2 compared to the base year. • Amount and percentage of offset GHG emissions (in tCO₂e) of scopes 1 and 2 compared to the base year. • Amount and percentage of GHG emissions neutralized (in tCO₂e) of scopes 1 and 2 compared to the base year. | Corporate VP of Sustainability and Strategic Projects. | Mitigation. |
| | Carry out comprehensive management for the measurement of scope 3 GHG emissions (excluding category 15), prioritizing at least the five most representative categories for the entity, and establishing reduction goals ¹⁴ . | By 2026, measure GHG emissions from the main scope 3 categories that were prioritized and defined (excluding category 15). | <ul style="list-style-type: none"> • Generation of absolute GHG emissions for Scope 3 categories (excluding Category 15). | <ul style="list-style-type: none"> • Amount of absolute GHG emissions generated (in tCO₂e) of scope 3 categories (excluding category 15). • Amount and percentage of reduced GHG emissions (in tCO₂e) of scope 3 compared to the base year. • Amount and percentage of offset GHG emissions (in tCO₂e) of scope 3 compared to the base year. | Corporate VP of Sustainability and Strategic Projects. | Mitigation. |

¹³ For companies that act as holding companies and have subordinate entities, it is necessary to manage their own GHG emissions (scope 1 and 2) and promote the management of emissions from these scopes in their subordinate companies.

¹⁴ Identifying the main categories to establish relevant reduction goals according to the business model.

| | | | | | | |
|---------------------------|--|--|--|---|---|-------------|
| | Consolidate decarbonization plans in all Grupo Aval Holding entities. | Ensure that, by 2026-2027, 100% of Grupo Aval's entities have plans to decarbonize their operations (scopes 1 and 2), and that these plans contemplate the establishment of progressive progress in the management and reduction of scope 3 emissions (excluding category 15 – financed emissions). | <ul style="list-style-type: none"> • Percentage of implemented vs. planned decarbonization initiatives. • Percentage of plans that include progressive goals for Scope 3. • Percentage of absolute reduction in GHG emissions (scope 3, excluding category 15). | <ul style="list-style-type: none"> • Percentage of entities with approved decarbonization plans. • Percentage of progress in implemented initiatives / entity. | <ul style="list-style-type: none"> • Corporate VP of Sustainability and Strategic Projects. • VP of Risks and Compliance. • VP of Finance. | Mitigation. |
| | Integrate strategic information on emission reduction, removal, offsetting and neutralization in the ESG reports of Grupo Aval and its entities. | <p>From 2026, publish annually in the sustainability reports of Grupo Aval and its entities a specific section that presents:</p> <ul style="list-style-type: none"> • Amount of GHG emissions reduced, removed, offset and neutralized (in tCO₂e). • Opportunities for removal and compensation projects in the medium and long term. • Impact of these actions on the fulfilment of national climate commitments (NDCs) and the Paris Agreement. | <ul style="list-style-type: none"> • Annual publication of the climate section with information on reduction, removal, compensation and neutralization. • Percentage of entities that report progress in reducing, removing, offsetting, and neutralizing emissions. | Not applicable. | Corporate VP of Sustainability and Strategic Projects. | Mitigation. |
| Financed Emissions | Strengthen the quantification and management of financed emissions (category 15 of scope 3) Grupo Aval and its entities. | From 2026, the quantification and management of financed emissions (Category 15 of scope 3) will be strengthened in order to establish initiatives to mitigate and offset | <ul style="list-style-type: none"> • Number of entities with processes for quantifying financed emissions implemented. • Number of mitigation initiatives and/or compensations defined | <ul style="list-style-type: none"> • Establish a percentage of reduction in the intensity of financed emissions (tCO₂e/monetary unit financed). • Percentage reduction in the intensity of financed emissions compared to the base year. | <ul style="list-style-type: none"> • Corporate VP of Sustainability and Strategic Projects. • VP of Finance. | Mitigation. |

| | | environmental impacts and progressively advance in reducing the intensity of financed emissions, considering the goals and particularities of each entity of the Group. | from the quantification results. • Evolution of the consolidated emissions intensity financed (tCO ₂ e/monetary unit financed). • Annual percentage reduction of absolute scope 3 emissions. | • Percentage of subsidiaries reporting financed emissions. | | |
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| | Assess the strategic investment in transition in carbon-intensive sectors. | Define in 2027 a guideline that guides a percentage of the investments made by the entities, which must be allocated to low-carbon sectors or activities, in accordance with the Green Taxonomy of Colombia or the National Long-Term Climate Strategy (E2050). | • Percentage of ESG portfolio participation in low-carbon sectors or activities. | • Percentage of portfolio involving ESG criteria (ESG Portfolio Value / Total Portfolio Value) × 100 | • Corporate VP of Sustainability and Strategic Projects. • VP of Finance. | Mitigation. |
| Strategic focus of action | Action | Goal | Monitoring indicator or management milestone | IFRS S2-aligned metric | Responsible Area | Strategy |
| RISK MANAGEMENT | | | | | | |
| Climate Risk Management | Establish guidelines for the identification, analysis, and monitoring of climate risks. | By 2027, have a consolidated climate risk matrix, operational in all Grupo Aval entities, including exposure thresholds by economic sector that allows integrated reporting of exposure to physical and transition risks under different climate scenarios (NGFS/IPCC), with defined and validated response mechanisms. | • Number of entities that have risk assessment and analysis of climate scenarios. | • Percentage of the portfolio evaluated annually with climate risk criteria by entity. | • Corporate VP of Sustainability and Strategic Projects. • VP of Risks and Compliance. | Adaptation. |
| | Establish the common methodological process for Grupo Aval and its entities | By 2026, 100% of Grupo Aval's entities will have integrated an ICP applied to their internal operations, in order to | • Percentage of entities that have established and integrated an ICP into their internal operations. | • Percentage of entities with defined ICP. • Percentage of entities with ICPs implemented. | • Corporate VP of Sustainability and Strategic Projects. • VP of Risks and Compliance. | Mitigation. |

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| to establish and integrate an Internal Carbon Price (ICP) in their internal operations. | identify and manage the impact associated with their emissions. <i>*Progressively, this instrument will also be used to assess at the level of internal knowledge, the impact of financing and investment activities in terms of emissions, thus strengthening climate risk management at the corporate level.</i> | | | | |
| Assess the progressive transition in sectors with high climate risk. | By 2026, Grupo Aval will have an institutional and operational framework for climate risk appetite implemented in at least 80% of the portfolios managed by its entities, with indicators and limits defined and aligned with recognized climate scenarios (NGFS, SSP, RCP 2.6). | <ul style="list-style-type: none"> • Percentage of entities with protocols to mitigate exposure to physical risk (acute and chronic). • Percentage of portfolios with defined climate risk appetite thresholds, assessed annually. • Percentage of exposure to climate risk vs defined limits (by type of portfolio), evaluated semi-annually. | Not applicable. | <ul style="list-style-type: none"> • Corporate VP of Sustainability and Strategic Projects. • VP of Risks and Compliance. | Mitigation. |
| Establish processes for the identification of controls aimed at mitigating operational and business continuity risks associated with climate change, thus strengthening their resilience capacity in the face of adverse weather events. | By 2026, the investment-intensive carbon portfolio must be aligned with climate sustainability criteria defined under voluntary frameworks and international and national standards (Green Taxonomy, ICMA, NGFS), and ____% of investment decisions will include risk assessment and climate scenarios. | <ul style="list-style-type: none"> • Grupo Aval's decarbonization roadmap. • Number of financial instruments labeled for use and disposal of resources with mitigation measures. | Not applicable. | <ul style="list-style-type: none"> • Corporate VP of Sustainability and Strategic Projects. • VP of Risks and Compliance. | Adaptation. |
| Promote the adoption of technical capabilities for the adoption and | By 2027, have technical personnel trained in climate management, including regulatory updates. | <ul style="list-style-type: none"> • Number of training courses carried out in climate management, including regulatory requirements. | Not applicable. | <ul style="list-style-type: none"> • Corporate VP of Sustainability and Strategic Projects. • VP of Risks and Compliance. | Mitigation and adaptation. |

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| | compliance of the Climate Strategy at Group level. | | • Number of people trained (excluding Board of Directors and Senior Management). | | | |
| | Determine guidelines for reporting climate performance in accordance with the structure of the Group's Climate Strategy. | By 2026, Grupo Aval entities report the indicators and metrics established by the Group in compliance with the climate objectives and goals. | Not applicable. | • Number of metrics or indicators reported from the Climate Strategy. | • Corporate VP of Sustainability and Strategic Projects. • VP of Risks and Compliance. | Mitigation and adaptation. |
| | Incorporate into the annual audit plan the assessment of the integration of climate risk management into the overall risk management framework, in order to ensure its consistency and effectiveness. | By 2027, 100% of Grupo Aval entities will have integrated climate risk management into the company's overall risk management framework. | • Execution of audits on the integration of climate risk management within the framework of the company's overall risk management. | • Number of entities that received audits. | • Corporate VP of Sustainability and Strategic Projects. • VP of Risks and Compliance. | Adaptation. |