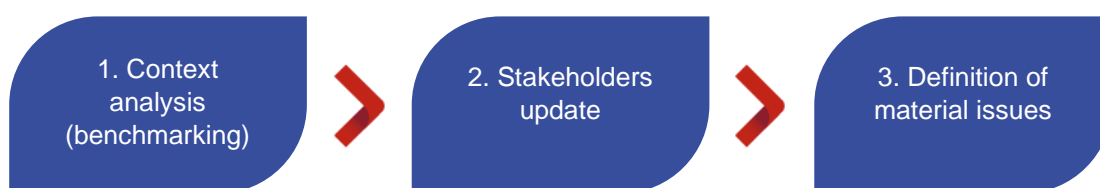


GRUPO AVAL'S DOUBLE MATERIALITY

In 2023 we carried out the update of the materiality of the Holding Company, expanding the scope of the exercise carried out in 2019, under a double materiality approach, which comprises the impact that the company can generate on the environment and society (impact materiality), and how ESG issues can impact the business (financial materiality).

Understanding the needs and expectations of stakeholders and the evolution of the industry, we are on a path of constant transformation and structural evolution, so it is necessary to review and validate our material issues annually. Their update will depend on major changes or milestones that represent an opportunity for improvement for Grupo Aval's sustainability strategy.

What process did we follow?



Step 1. Context analysis (benchmarking)

We are aware that we must be aligned with the trends and main topics of conversation of the local and international sustainability agendas for the financial sector. For this reason, we conducted the internal and external context analysis, supported by benchmarking exercises and strategic interviews.

1.1. Internal context

To identify relevant topics on which the organization's ESG actions are focused, we consulted Grupo Aval's internal documentation, conducted a benchmarking analysis of our entities and interviewed key personnel of the Holding Company.

1.2. External context

To identify investors' expectations, as well as the practices adopted and challenges presented by financial companies, we reviewed various sustainability frameworks applicable to this sector, such as GRI, DJSI, SASB, MSCI ESG Ratings, IFRS S1 and S2, and TCFD. In addition, we conducted a comparative analysis (benchmarking) of leading companies and companies of interest, based on public information, considering the national context in relation to these issues.

Step 2. Stakeholder update

Establishing a two-way and close relationship with our stakeholders allows us to understand their needs and expectations, working as a group to promote a positive social transformation in the country.

The results of the context analysis allowed us to identify and prioritize a set of stakeholders for Grupo Aval, describing them in detail according to their strategic importance.

Stakeholder	Description
Board of Directors	Management team in charge of approving policies and strategies, and monitoring and evaluating the work proposed by the Senior Management of the Holding Company and its entities.
Affiliates	Companies over which we exercise control as a Holding Company.
Shareholders and investors	Shareholders and bondholders of the company.
Collaborators	The human team that makes it possible for the companies' objectives to be met and who manage the projects in our affiliates.
Opinion leaders	Mass and digital media and/or people who publish information about us and/or our entities and who are important for brand and reputation management.
Government and regulators	Organizations that, due to the nature of the business, issue regulatory requirements and perform constant and permanent monitoring of the financial and non-financial information of the Holding Company and its affiliates.
Suppliers	Those who provide inputs and/or services directly to the Holding Company and the entities.

Step 3. Definition of material issues

3.1. Consultation to stakeholders

We consulted stakeholders, firstly, to understand their interests, expectations and priorities in sustainability and, secondly, to analyze 19 topics distributed in the Environmental, Social and Governance dimensions, as a first filter to define our materiality.

Below is a list of the number of people and entities interviewed by stakeholders.

Stakeholders	Consultations
Managers	6 vice-presidents interviewed.
Affiliates	11 people interviewed from the areas of sustainability and financial planning in the four banks (Bogotá, Occidente, Popular and AV Villas), Corficolombiana and Porvenir.
Employees	22 employees interviewed.
Institutional investors	5 surveys.
Minority shareholders	103 surveys.
Government and regulators	Regulatory analysis validated with the legal area.
Opinion leaders - Agencies	2 analysis and reputation agencies interviewed.

3.2. Co-creation workshops

We developed a co-creation workshop with directors and managers of the risk, compliance, legal, administrative and human talent, audit, marketing and sustainability, technology and accounting areas, in which we prioritized the material issues for the construction of Grupo Aval's sustainability strategy and identified options for commitments to address the issues in each of the ESG dimensions.

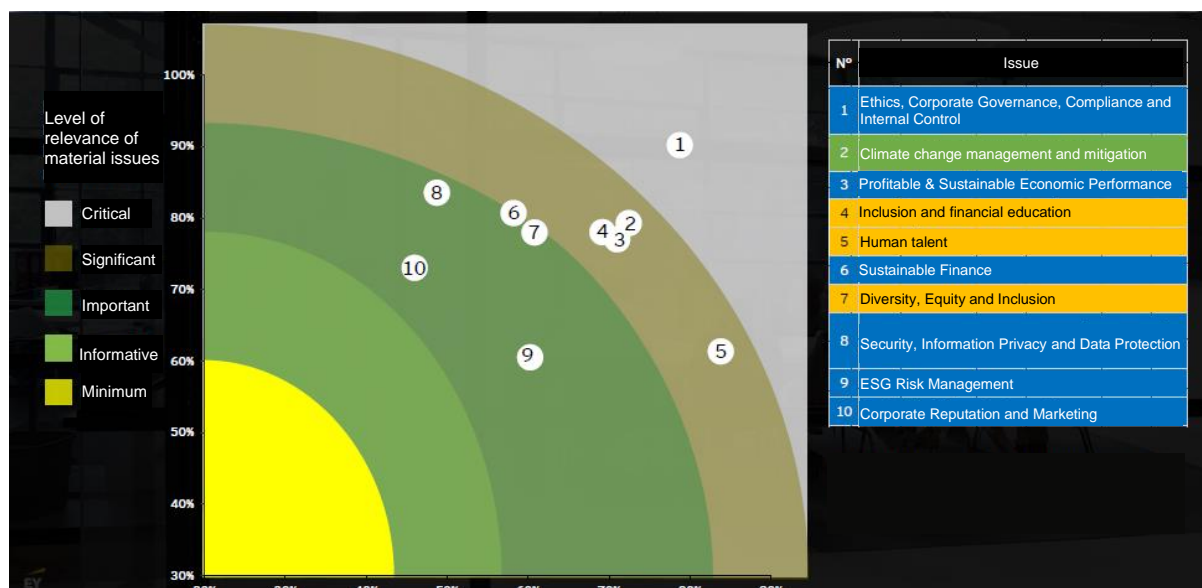
Subsequently, we held meetings with the vice presidents of the Holding Company, who validated the results of the co-creation workshop with directors and managers, and as a result, we reduced the list from 19 to 14 issues.

3.3. Prioritization of double materiality

The previously mentioned issues were prioritized under the dual materiality approach (impact and financial), arriving at the following 10 material issues in the Environmental, Social and Governance dimensions, which are managed, in part, through our entities.

Material issue	Definition
Environmental dimension	
Climate change management and mitigation	Refers to the management (measurement, reduction and offsetting) of the organization's scope 1 (direct), 2 (indirect) and 3 (indirect value chain) greenhouse gases.
Social dimension	
Human talent	Management of talent attraction, development and retention, generating adequate working conditions and respect for human rights.
Diversity, equity and inclusion	Promote policies, good practices and programs that encourage the development of diverse, equitable and inclusive spaces within and outside organizations.
Inclusion and financial education	Financial inclusion seeks to give more people access to the benefits of banking; and financial education consists of the development of skills to manage money responsibly and use financial products appropriately.
Governance dimension	
Corporate reputation and marketing	Development and implementation of strategies and actions that contribute to improve the internal and external perception of the company and its affiliates, positively impacting their reputation and positioning.
Ethics, corporate governance, compliance and internal control	Internal control standards, policies and procedures that establish the rules of operation of the governing bodies, promoting transparent and honest management.
ESG risk management	Consideration of ESG threats and opportunities in the entities' risk management system.
Sustainable finance	Refers to the inclusion of environmental, social and corporate governance factors within the financing and investment decision factors.
Security, information privacy and data protection	It refers to information protection measures that are applied to prevent unauthorized access to data, which can be found in computers, physical documents, databases, websites, among others.
Profitable and sustainable economic performance	It is the ability to use assets to generate benefits in the short and long term, strengthening the relationship with the various stakeholders.

The prioritization of these issues according to their level of relevance can be seen in the following matrix:



3.4. Material Issues for stakeholders

According with our prioritized material issues and the analysis of external impacts, we identified two impacts that have the greatest impact on our stakeholders, as described in the following table:

	Impact 1	Impact 2
Material Issue for external stakeholders	Climate change management and mitigation	Inclusion and financial education
Impact category	Climate Transition & Physical Risks	Sustainable Products & Services
Cause of the impact	Operations	Products/Services
External stakeholder(s)/impact area(s) evaluated	<ul style="list-style-type: none"> Environment Society 	<ul style="list-style-type: none"> Society Consumers/end-users
Topic relevance on external stakeholders	<p>The financial sector, as a fundamental actor of resource management for different companies, has an indirect impact on all those activities that its clients carry out and the way in which they impact the environment. At present, the projects considered to have a high environmental impact and that lead to socio-environmental conflicts in Colombia are oil exploitation and the lack of project management to alleviate the production of electric energy in times of drought. It is estimated that between 61 and 74% of the hydroelectric projects worldwide will have problems of reduced generation due to water shortage. Financial institutions must measure social and environmental risks early and as a priority in order to guarantee the rights and interests of all stakeholders.</p> <p>In addition, Climate change directly affects the agricultural sector, generating risks for the entire financial</p>	<p>Financial inclusion contributes to the development of a stable and integrated financial system through various mechanisms, since greater participation of the population in the financial system generates a sustained deposit base and reduces dependence on international financial markets.</p> <p>This also contributes to reducing informality, one of the challenges for financial integrity in the country. This allows people to enjoy the benefits of using financial products and services throughout their lives, such as: financial wellbeing, planning to achieve their long-term goals, having the economic support of their families to deal with unexpected situations, accessing tools to start or expand businesses, and promoting investment in education and health.</p>

	sector that finances this type of operations. On the other hand, the recognition of climate risks by the financial sector leads to the diversification of financing, supporting projects with a sustainable approach, such as renewable energy generation activities, recognizing that many clients are in drought regions and with the arrival of the El Niño phenomenon the costs of traditional energy rise, also affecting the payment capacity of these clients.	
Type of impact	Positive/negative	Positive

3.5. Validation of the materiality analysis

The validation and approval of the material issues was carried out after due consideration and analysis by the Board of Directors with the consultants and management, who expressed their agreement with the double materiality scheme that was submitted for approval of the Presidency and the Board of Directors of Grupo Aval, on December 6, 2023, being recorded in the minutes of the meeting (see annex 1).

3.6. Materiality assurance

The methodological process for the analysis of double materiality was assured by the firm BDO. See Annex 7 – Third part verification, which can be found in our [Management and Sustainability Report 2023](#).

**Annex 1. Certification of Board of Directors approval of double materiality
(original version in spanish)**

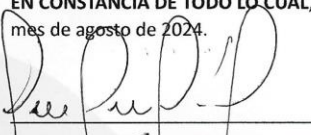


CERTIFICACIÓN

El suscrito, en mi calidad de Secretario General de **GRUPO AVAL ACCIONES Y VALORES S.A.** (en adelante la "Sociedad"), por medio de la presente me permito certificar que:

- 1) En la sesión # 436 de la Junta Directiva de la Sociedad que tuvo lugar el seis (6) de diciembre de 2023 y con quórum suficiente para deliberar y decidir se trataron asuntos relativos a ESG- y el ejercicio de Doble Materialidad.
- 2) En el desarrollo de la reunión, la Administración solicitó la aprobación de la Junta Directiva en la temática indicada, a través de la identificación de los temas materiales prioritarios en las dimensiones ambiental, social y de gobernanza, con el propósito de definir la estrategia de sostenibilidad alineada con el modelo de negocio.
- 3) En el curso de la reunión, la Administración expuso en forma detallada a la Junta Directiva el proceso de evaluación que se llevó a cabo con la colaboración de la firma de consultoría externa EY, incluyendo la identificación y definición de los temas prioritarios para la Sociedad, así como el propósito, compromisos, metas y pasos a seguir.
- 4) Luego de la debida consideración y análisis, la Junta Directiva aprobó en forma unánime el esquema de doble materialidad que la Administración de la Sociedad sometió a su consideración.

EN CONSTANCIA DE TODO LO CUAL, se firma esta certificación en Bogotá a los trece (13) días del mes de agosto de 2024.



LUIS FERNANDO PABÓN PABÓN
Secretario General