



## **Responsible Investment Policy Titularizadora Colombiana**

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## **1. POLICY**

### **1.1. Purpose of the Policy**

At Titularizadora Colombiana, we recognize that responsible investment is a fundamental pillar for generating sustainable value within the financial system and is therefore one of the seven (7) material topics defined by the company. Given our role as structurers and managers of securitization processes, we understand that integrating Environmental, Social, and Corporate Governance (ESG) factors into our investment decisions not only strengthens the sound and stability of portfolios but also contributes to the country's economic development and the mitigation of long-term risks.

The inclusion of ESG criteria allows us to manage the risks and opportunities associated with investments more efficiently, ensuring that our portfolio reflects sustainability principles while promoting transparency and trust in the market. Additionally, our strategy is aligned with the United Nations Principles for Responsible Investment (PRI), thereby fostering a more resilient financial ecosystem committed to social and environmental well-being.

The purpose of the Responsible Investment Policy is to establish the principles and guidelines that govern investment decision-making at Titularizadora Colombiana, ensuring the integration of Environmental, Social, and Corporate Governance (ESG) factors into the analysis, selection, and management of assets.

Through this policy, we aim to generate long-term sustainable value for the company, our shareholders, investors, and other stakeholders, aligning our investments with sustainability criteria, risk management, and international standards—particularly the Principles for Responsible Investment (PRI).

This policy also reaffirms our commitment to transparency, ethics, and the promotion of a more responsible and resilient financial system, actively contributing to the development of sustainable markets aligned with global ESG objectives.

### **1.2. Scope of the Policy**

This Responsible Investment Policy applies to the management of Titularizadora Colombiana's investment portfolio, which is primarily composed of fixed-income assets. It integrates Environmental, Social, and Governance (ESG) factors into decision-making and aligns with the United Nations Principles for Responsible Investment (PRI).

Likewise, the structuring of sustainable financial products that incorporate ESG factors in their design will be promoted, facilitating access to financing for projects with positive environmental, social, and sustainable impact. These products will be aligned with global standards and industry's best practices.

If it is not possible to integrate ESG factors directly into the asset selection process, the ESG standards or certifications held by the asset originator or manager will be considered to assess alignment with ESG aspects.

In turn, the assets managed under the real estate vehicle (TIN) of Titularizadora aim to incorporate Environmental, Social, and Governance (ESG) factors in the search for new acquisitions. The vehicle implements strategies for financial sustainability and long-term risk mitigation by applying ESG criteria in asset selection and evaluation, as well as in its relationships with partners, tenants, and suppliers to encourage best practices.

Similarly, assets under management that derive from securitization processes or are in the warehousing phase for future securitization are also covered by this policy.

### **1.3. Legal and Regulatory Factors**

Titularizadora Colombiana is an entity supervised by the Financial Superintendence of Colombia and complies with all applicable requirements.

Compliance serves as the foundation for responsible investment, promoting the integration of Environmental, Social, and Governance (ESG) factors into investment decisions. This is not only an ethical practice but also aligns with legal regulations that demand transparency, sustainability, and accountability in investments.

We also recognize that the implementation of this policy enables us to act in alignment with the broader objectives of our stakeholders. Accordingly, to the extent possible, we commit to the United Nations-supported<sup>1</sup> Principles for Responsible Investment (PRI):

#### **1.3.1. Adherence to the PRI Principles – A UN Initiative**

We are guided by the six fundamental Principles for Responsible Investment (PRI), applying them across all our investment and asset management decisions:

1. **Integration of ESG criteria:** We incorporate Environmental, Social, and Governance (ESG) factors into asset analysis and selection.
  - We have defined an Exclusion List that identifies projects or activities that, due to their high ESG impact, are not eligible for securitization.
2. **Active ownership:** We promote sustainable practices among issuers and originators with whom we work.
3. **Transparency in disclosure:** We require issuers to provide clear information on their ESG performance. Likewise, we publish annual sustainability reports detailing our ESG impact.
4. **Promotion of PRI within the industry:** We collaborate with market participants to advance responsible investment by participating in forums and alliances within the Colombian financial sector.

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<sup>1</sup> <https://www.unpri.org/about-us/what-are-the-principles-for-responsible-investment>

5. **Sector collaboration:** We work with other financial institutions and regulators to enhance ESG practices, actively participating in the Sustainable Finance Committee (Asobancaria).
6. **Reporting and accountability:** We measure and communicate our progress in implementing the PRI through our annual signatory report. Additionally, internal audit processes include verification of compliance with our ESG policies.

#### **1.4. Responsibilities**

This policy is mandatory for all areas involved, promoting a more sustainable and resilient financial system.

#### **1.5. Implementation**

The implementation of responsible investment is primarily structured around three lines of action.

##### **1.5.1. Investment Strategy**

Our investment model considers key variables across three fundamental dimensions:

- **Environmental:** We assess issues related to climate change, efficient use of natural resources, and proper waste management.
- **Social:** We promote financial inclusion, respect for human rights, and the strengthening of diversity and inclusion within organizations.
- **Governance:** We value transparent corporate governance structures, regulatory compliance, proper oversight, and adherence to international commitments on ethics and sustainability.

To ensure effective ESG integration, we apply a structured evaluation and classification process for issuers to identify the degree of ESG integration in their management practices.

Based on this assessment, our methodology assigns weight to assets according to the issuer's level of compliance in each ESG dimension. This allows us to make informed investment decisions aligned with our sustainability principles. The analysis is updated at least once a year.

##### **1.5.2. Credit Quota and Counterparty Methodology**

In our investment management process, we apply rigorous financial criteria to identify entities with strong financial soundness and low credit risk. This analysis includes ESG aspects and helps us define prudent investment limits with each counterparty, thereby enhancing the security and stability of the portfolio.

### **1.5.3. ESG Aspects Analyzed in AUM Derived from Securitization Processes**

In line with its sustainability commitment, Titularizadora Colombiana incorporates Environmental, Social, and Governance (ESG) criteria in the management of Assets Under Management (AUM), both in portfolio securitization processes and in real estate holdings. In our asset weighting methodology, special relevance is given to assets that carry recognized ESG certifications or third-party sustainability labels, as well as those with an inherent social or environmental nature that adds long-term sustainable value to the portfolio. ESG standards associated with the originator, tenant, or credit administrator that promote sustainable practices may also be included.

## **1.6. Engagement**

### **1.6.1. Through the Securitization Process**

Titularizadora Colombiana will foster dialogue with issuers and originators of assets, promoting best practices in sustainability, transparency, and corporate responsibility. As part of the certification process for originators, a dedicated chapter reviewing their ESG policies has been included, ensuring that our originators are aligned with our sustainability policy. Through this active commitment, we aim to influence companies' management practices to encourage alignment with responsible investment principles.

### **1.6.2. Through Participation in Collective Initiatives**

Titularizadora Colombiana will actively exercise its voting rights in assemblies or committees to influence corporate decisions with ESG implications. A responsible stance will be adopted, supporting initiatives aligned with sustainability and sound corporate governance.

Collaboration with other investors and organizations in the financial sector will strengthen to drive improvements in corporate governance and sustainability. Participation in collective initiatives will enhance our impact in transforming the market into a more responsible model.

Within this framework, this policy sets forth the guidelines under which we incorporate responsible investment into our strategies, ensuring that our decisions remain consistent with the purpose and vision of Titularizadora Colombiana.

## **2. OBJETIVOS**

At Titularizadora Colombiana, we are committed to integrating the highest international standards in responsible investment and sustainability.

Likewise, Titularizadora Colombiana will incorporate ESG aspects into its securitization evaluation process, striving to design, structure, and implement issuances with environmental and/or social labels in accordance with current regulations and the guidelines set forth in the Company's Sustainability Manual.

Titularizadora will disclose its Sustainability Policy to relevant stakeholders.

## **2.1. Principles for Responsible Investment**

As PRI signatories, we adopt a proactive approach to align our operations with globally recognized frameworks, ensuring transparency, ethics, and long-term value creation.

## **2.2. Sustainable Development Goals**

In addition to the PRI, our strategy is focused on 9 of the 17 Sustainable Development Goals (SDGs):

- 5. Gender equality
- 8. Decent work and economic growth
- 9. Industry, innovation, and infrastructure.
- 10. Reduced inequalities.
- 11. Sustainable cities and communities.
- 12. Responsible consumption and production.
- 13. Climate action.
- 16. Peace, justice, and strong institutions.
- 17. Partnerships for the goals.

## **2.3. Material Topics**

Titularizadora Colombiana has defined three (3) strategic pillars through which it incorporates the seven (7) material topics identified by its stakeholders:

### **2.3.1. Fair and Equitable**

This pillar promotes the fair distribution of financial resources and opportunities to ensure equitable access to more inclusive financial services across all sectors of society. It includes two (2) material topics: Equity, diversity, and inclusion, Human rights

### **2.3.2. Environmentally Responsible**

This pillar encourages the integration of environmental considerations into all our operations and financial decisions, promoting sustainable management and environmental conservation. It encompasses one (1) material topic: Climate Change

### **2.3.3. Prosperous and Integral**

This pillar aims for responsible economic growth through innovative financial solutions that contribute to the prosperous development of all our stakeholders. It includes four (4) material topics: Corporate Governance and Effective Risk Management / Stakeholder Engagement / Transparency, Responsible Investment, Profitable Growth and Sustainable Finance.

## **2.4. Principles and Commitments**

Titularizadora Colombiana adopts a long-term approach to value creation, recognizing that sustainable investments not only mitigate financial and reputational risks, but also contribute to the stability and growth of the capital markets. Our responsible investment strategy is grounded in building resilient portfolios that balance financial performance with positive social and environmental impact. This involves a comprehensive assessment of the investment life cycle, ensuring that outcomes are beneficial in the short, medium, and long term. We also promote financial stability and resilience by minimizing exposure to ESG-related risks and prioritizing investments that deliver sustainable returns. Our commitment is reflected in the fact that over 50% of the assets under management, as defined within the scope of this policy, incorporate ESG analysis factors.

This approach is aligned with global trends and local regulations, allowing for the adoption of best practices in sustainable finance and regulatory compliance. In addition, we encourage the development of innovative financial products that foster investment in sectors with high sustainability potential and responsible growth. Transparency and disclosure are fundamental to our strategy, ensuring that ESG performance information related to our investments is clear and accessible. In this way, our investments not only generate returns for investors, but also contribute to the development of a stronger, more inclusive, and sustainability-oriented financial system.

We are committed to identifying profitable market segments and aligning our products and services to meet their specific needs. This includes leveraging digitalization and emerging technologies to enhance operational efficiency, reduce costs, and automate key processes within the organization. We will focus our efforts on strengthening customer loyalty and retention by implementing high-quality customer service strategies, offering tailored solutions, maintaining effective communication, and building strong relationships.

Additionally, we will work to establish partnerships and collaborate with organizations, academic institutions, and other relevant actors in the field of sustainable finance. We will participate in joint initiatives that promote the adoption of sustainable financial practices and the creation of related standards and regulatory frameworks. Sharing knowledge and best practices will be essential to advancing sustainability development and implementation in the financial sector, as well as designing and promoting financial products that foster sustainability.

## **3. TRAINING**

Titularizadora Colombiana develops and implements sustainability training programs with the goal of strengthening the ESG culture across the entire organization. These programs are directed at all employees and targeted groups based on identified needs. The content aligns with the company's strategic priorities and incorporates current regulations, internal policies, and sustainability-related responsibilities. Additionally, Titularizadora actively participates in ongoing learning opportunities such as sector-specific conferences and



specialized courses, in line with the commitments undertaken as a signatory to the Principles for Responsible Investment (PRI).

#### **4. ESG TEAMS AND COMMITTEES**

The implementation of the Responsible Investment Policy at Titularizadora Colombiana is a joint effort among several strategic areas that integrate ESG criteria into investment, structuring, and asset management processes. These areas work in coordination to ensure the effective application of the policy throughout the organization. Likewise, ESG matters are addressed in the following committees to ensure decision-making is aligned with sustainability principles across key areas of the business:

- Sustainability Committee
- ALCO Committee
- Board Investment Committee
- Real Estate Board Committee
- Board of Directors

#### **5. MONITORING AND REPORTING**

Periodic internal and external reports.

##### **5.1. Sustainability Report**

Titularizadora Colombiana will produce both internal and external reports on the implementation of ESG criteria, ensuring transparency and accountability to investors and stakeholders. As part of this commitment, an annual Sustainability Report will be published, offering a comprehensive view of the organization's economic, environmental, and social impacts. This report will comply with the requirements of the Financial Superintendence of Colombia and follow international standards such as GRI and SASB. It will cover a wide scope, from internal activities to third-party and supplier relations. Its annual frequency will ensure the continual updating of relevant sustainability information, strengthening trust and commitment to continuous improvement.

##### **5.2. Titularizadora Management Report**

In addition to the Sustainability Report, Titularizadora Colombiana will publish an annual Management Report addressed to the Board of Directors, the Shareholders' Assembly, and the general public. This document will detail the company's financial and operational performance, market conditions that affected its outcomes, and key social, environmental, and governance issues, in line with the Financial Superintendence of Colombia's guidelines. The Board of Directors, through the Legal Representative, must present this report to the General Shareholders' Assembly. The President of the company will submit it to the Board of Directors along with the year-end financial statements. The process begins with the assignment of responsibilities and the request for its preparation, ensuring its availability on the corporate website. The Planning Department is responsible for its development and publication.

### **5.3. Universality Management Report**

In compliance with External Circular 031 of 2021 issued by the Financial Superintendence of Colombia, Titularizadora Colombiana prepares a specific Management Report for each universality on a quarterly and annual basis (in an extended version). This report details the financial and operational performance of each universality, the market conditions affecting their results, and ESG aspects, in line with regulatory requirements.

### **5.4. Report to the Sustainability Committee and Board of Directors**

Twice a year, the Planning Department presents progress on sustainability matters—including responsible investment topics—to the Sustainability Committee and the Board of Directors.

## **6. REVIEW**

This policy will be reviewed annually by the Sustainability Committee, taking into account regulatory changes, international best practices, and market needs. The review process ensures that the policy remains aligned with the highest standards in responsible investment.

If necessary, a policy review may be requested by the Investments and Market Development Department. The policy may also be revised and updated by the Investments Department when deemed necessary, while always preserving the commitments made as a PRI signatory.