UN environment programme | finance initiative

Principles for Responsible Banking

TEMPLATE

Responsible Banking Progress Statement
for PRB Signatories

Implementation document
Principles for Responsible Banking
• Est. 2019 •

Summary template

Banco Falabella Colombia 2026

Principle 1: **Alignment**	Principle 2: **Impact & Target Setting**	Principle 3: **Clients & Customers**
Banco Falabella Colombia is a financial institution within the Falabella Group that has operated in the country since 2005 and has been licensed as a bank since 2011. Its primary focus is on retail and individual customers, offering mainly credit cards, consumer loans, savings accounts, transactional products, and insurance solutions. Its strategy combines a mobile-first digital proposition with a nationwide network of 66 branches. As of year-end 2025, the bank managed a consumer loan portfolio of approximately COP 5.4 trillion, funded primarily through customer deposits, and employed more than 1,000 people. Its management is guided by the Falabella Group's purpose of "making life simpler and more enjoyable," and is built upon the principles of transparency, convenience, and simplicity to promote the financial well-being of its customers.	Sustainability is an integral part of Banco Falabella Colombia's strategy and business model, guiding the creation of sustainable value for customers and stakeholders. The bank promotes financial well-being through simple and transparent products, aligning its management approach with the United Nations Sustainable Development Goals (SDGs), particularly those related to financial inclusion and reduced inequalities (SDG 10), gender equality (SDG 5), and climate action (SDG 13). In addition, the bank continues to advance the integration of ESG criteria, strengthen corporate governance, promote responsible lending practices, and develop solutions that foster financial inclusion. The bank has established specific targets for 2026 aimed at strengthening its contribution to its priority impact areas: **Financial Well-being:** - Reach at least 3,300 people through financial education programs.	Banco Falabella Colombia promotes a responsible relationship with its customers through a strategy focused on financial well-being, driving financial education programs, communications on the responsible use of credit, and the development of simple and transparent products. The bank also fosters responsible lending practices through assessment processes that take into account customers' repayment capacity, helping to prevent over-indebtedness and support informed financial decision-making. **Targets** - Achieve a 9% customer perception rate regarding the bank's contribution to financial education. - Achieve a 12% customer perception rate identifying the bank as a transparent institution.

	Diversity, Equity, and Inclusion: - Achieve an 86% positive employee perception regarding diversity and inclusion. - Reach 40% female representation in leadership positions. - Achieve 1% representation of employees with disabilities.	
Links & references Información Corporativa: https://www.bancofalabella.com.co/informacion-corporativa Política de sostenibilidad https://assets.ctfassets.net/ex6ts2p2j0ib/33ooTi0jVWA1KsezPFxi3b/7aeaa6ef68069f5334e9252ab48d667b/BFCO.PS.RH.2.PL.5_Pol%C3%83_tica_Sostenibilidad_Banco_Falabella.pdf Landing Sostenibilidad https://www.bancofalabella.com.co/sostenibilidad Reporte Principios Banca Responsable https://assets.ctfassets.net/ex6ts2p2j0ib/5PgpSIYYkjYljLnQdvlRSA/da844bc60f38f96e8b3e288a500d75f1/Reporte_Banca_Responsable_2026.pdf	***Links & references*** EE.FF Dic 2025 https://assets.ctfassets.net/ex6ts2p2j0ib/55zTKwfUE5ygWA9V70eePC/e192055195623944e918c48a95fd43b5/Banco_Falabella_SA__Opinion_Notas_y_EEFF_2025-2024_.pdf Informe de gestión 2025 (publicado en web) https://assets.ctfassets.net/ex6ts2p2j0ib/2AVIxyl5xSNOWay0mD3Uxz/7bfad76cb87be163ed6551ee3af174bc/Informe_de_Gestio%C3%8C_n_2025_Banco_Falabella_VF.pdf Reporte Principios Banca Responsable https://assets.ctfassets.net/ex6ts2p2j0ib/5PgpSIYYkjYljLnQdvlRSA/da844bc60f38f96e8b3e288a500d75f1/Reporte_Banca_Responsable_2026.pdf	***Links & references*** Protocolo para la atención de personas con discapacidad https://assets.ctfassets.net/ex6ts2p2j0ib/3eHxJ2Y9YpwgGxOxDHXTXj/34e911dd13c3a3a54efe498719034692/Protocolo_para_la_atencio__n_de_personas_con_discapacidad.pdf Landing Inclusión Clientes https://www.bancofalabella.com.co/page/inclusion Oficinas https://www.bancofalabella.com.co/oficinas Reporte Principios Banca Responsable https://assets.ctfassets.net/ex6ts2p2j0ib/5PgpSIYYkjYljLnQdvlRSA/da844bc60f38f96e8b3e288a500d75f1/Reporte_Banca_Responsable_2026.pdf

Principle 4: **Stakeholders**	Principle 5: **Governance & Culture**	Principle 6: **Transparency & Accountability**
Banco Falabella Colombia actively manages relationships with its key stakeholders—including customers, employees, communities, regulators, suppliers, and shareholders—through engagement and feedback mechanisms such as surveys, customer service channels, financial education programs, and dialogue forums. The insights gathered through these channels are incorporated into decision-making processes and the development of initiatives focused on financial well-being, inclusion, diversity and inclusion, regulatory compliance, and ESG management. This approach enables the bank to align its sustainability strategy with stakeholder expectations, continuously improve the customer experience, and strengthen the creation of sustainable long-term value.	Banco Falabella Colombia's sustainability strategy is overseen through a governance framework aligned with the Falabella Group. A regional Sustainability Hub, supported by local sustainability leaders, coordinates implementation across key pillars: Financial Well-being, Diversity, Equity & Inclusion, Environment, and Governance. Progress is monitored through sustainability committees, Board reporting, executive reviews, and KPI tracking, ensuring accountability and continuous improvement toward the bank's sustainability objectives, including the Group's Net Zero commitment for Scope 1 and 2 emissions by 2035.	As of the date of this report, the information disclosed by Banco Falabella Colombia under the Principles for Responsible Banking framework has not been subject to independent external assurance. As this is the bank's first report since becoming a signatory to the Principles for Responsible Banking in January 2025, Banco Falabella Colombia is currently in the early stages of implementation, focusing on the development of its impact analysis, the definition of indicators, and the establishment of targets. The bank recognizes the importance of independent assurance as a mechanism to strengthen the transparency and credibility of the information reported, in line with UNEP FI requirements. Accordingly, it will assess the progressive incorporation of external assurance in future reporting cycles as the maturity of its sustainability management and reporting practices continues to advance.
Links & references Balance Sostenibilidad 2025 https://www.bancofalabella.com.co/page/sostenibilidad-banco-falabella Política de diversidad e inclusión https://assets.ctfassets.net/ex6ts2p2j0ib/3056IjMeSUaCbk2nXREsW6/67f349711d182fb41ae478a75ca8a5a5/Politica_de_Diversidad_e_Inclusion.pdf	***Links & references*** Política de gobierno corporativo https://assets.ctfassets.net/ex6ts2p2j0ib/7CzMYVTydT4QchbvoD27lv/adaa2b4ee8cc4db6a0233f1131d032cc/BFCO.PE.PO.2.PL.31_Poli%C3%8C_tica_de_gobierno_corporativo.pdf Canal de Integridad https://images.ctfassets.net/ex6ts2p2j0ib/Dj0ihOWQb2qscFk1bBDWe/74bb6514b425436250881cd13cc92240/BFCO.PE.PO.2.PL.46_C-C3-B3digo_de_Integridad_BFCO.pdf	***Links & references*** *[References to where additional information can be found in external reporting. Include links and page numbers,]*

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Supplement templates

Principle 1:
Alignment

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Business model
Describe (high-level) your bank's business model, including the main business lines, customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, business areas or by disclosing the number of customers and clients served.

Información Corporativa: https://www.bancofalabella.com.co/informacion-corporativa

Política de sostenibilidad
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Banco Falabella Colombia is a financial institution that is part of the Falabella Group, a Chilean holding company with operations across several countries in Latin America. The origins of its operations in Colombia date back to October 2005 with CMR Falabella S.A., and in May 2011, the Superintendencia Financiera de Colombia authorized its conversion into Banco Falabella Colombia as a banking institution.

The bank primarily serves the individual customer segment, with a focus on mass retail customers.

Its business model is centered on offering financial products and services such as:

- Credit cards
- Consumer loans
- Savings accounts and transactional products
- Insurance and complementary financial services

The bank operates under a **mobile-first digital strategy**, providing simple products and personalized benefits leveraged by the Falabella Group ecosystem. This offering is complemented by a physical service network comprising 66 branches nationwide.

In terms of portfolio composition, as of December 2025:

- Total consumer loan portfolio reached approximately **COP 5.4 trillion**.
    - Credit cards: **COP 2.9 trillion** (~53% of total portfolio)
    - Consumer loans: **COP 2.6 trillion** (~47% of total portfolio)

Regarding funding, deposits and other liabilities totaled approximately **COP 4.9 trillion**, with the following composition among individual customers:

- Time deposits: **COP 2.0 trillion** (primary funding source)
- Demand deposits: **COP 335 billion**
- Savings deposits: **COP 334 billion**

As of the latest reporting period, the bank employs more than 1,000 people, operates a network of 66 branches, and serves approximately 1.7 million customers in Colombia.

The bank conducts its operations in alignment with the Falabella Group's purpose of **"making life simpler and more enjoyable."** Its relationship with customers is guided by the principles of **transparency, convenience, and simplicity**, which shape its value proposition and contribute to the financial well-being of its customers.

Strategy alignment

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and other international frameworks such as the Kunming-Montreal Global Biodiversity Framework (GBF), the United Nations Guiding Principles on Business and Human Right (UNGPs), the forthcoming instrument on plastic pollution etc.

Include any other national and/or regional frameworks that your bank has a strategy to align with where relevant.

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Yes, sustainability is integrated into Banco Falabella Colombia's business strategy and forms part of its operating model, defining how the bank seeks to generate sustainable value in the short, medium, and long term.

The sustainability strategy is directly linked to the bank's business strategy and constitutes a core pillar of decision-making, guiding the development of its value proposition toward the creation of sustainable benefits for customers and stakeholders.

The bank aims to deliver an attractive and sustainable value proposition over time, aligned with stakeholder expectations, while promoting financial well-being through simple, transparent products tailored to customers' needs.

In this context, the sustainability strategy is aligned with international frameworks such as the United Nations Sustainable Development Goals (SDGs), with a primary focus on:

SDG 10 – Reduced Inequalities: Promoting financial well-being, financial inclusion, and financial education, helping to reduce barriers to access to the financial system.

SDG 5 – Gender Equality: Through its Diversity, Equity, and Inclusion pillar, advancing initiatives aimed at promoting female leadership and reducing participation gaps within the organization.

SDG 13 – Climate Action: Through its environmental pillar, focused on measuring and managing greenhouse gas emissions and addressing environmental impacts.

In addition, the bank has begun to progressively align its strategy with applicable local regulations related to environmental and social risk management.

This alignment is reflected in:

- The development of products and services that promote financial inclusion.
- The promotion of responsible lending practices.
- The gradual integration of ESG criteria into business management.
- The strengthening of corporate governance.

Principle 2:
Impact & Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

Impact Analysis

Show how your bank has identified, prioritized and measured the most significant impacts associated with its portfolio (both positive and negative). Determine the priority areas for target-setting. Include details regarding: Scope, Portfolio Composition, Context, and Performance Measurement.

The impact analysis should include assessment of the relevance of the four priorities laid out in Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector, as part of its initial or ongoing impact analysis.

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Informe de gestión 2025 (publicado en web)
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Banco Falabella Colombia's impact analysis covers its main business lines, with a focus on those activities that represent the largest share of its portfolio and, therefore, its most significant impacts.

Specifically, the scope of the analysis includes:

- The consumer loan portfolio, primarily consisting of credit cards and consumer loans.
- Deposit products, including savings accounts, time deposits, and demand deposit balances.
- Other financial services associated with these products.

The analysis focuses on the retail customer segment, as it constitutes the core of the bank's business model.

From a geographical perspective, the analysis covers the bank's operations in Colombia, where it conducts all of its business activities.

The defined scope reflects the structure of the bank's portfolio, in which the consumer loan portfolio represents the largest component of its balance sheet and, therefore, the primary driver of its economic and social impacts.

In addition, as part of the process of defining and prioritizing sustainability-related matters, the bank conducted a **double materiality assessment**. This exercise enabled the identification and prioritization of the most significant issues, considering both their impact on society and the environment and their financial relevance to the organization.

The results of this assessment serve as a key input for understanding the scope and prioritization of the bank's impacts, aligning sustainability management with the issues that create the greatest value for stakeholders and the business.

Portfolio Composition

The bank has considered the composition of its portfolio as part of the impact analysis in order to identify its main sources of exposure and their implications in terms of social and economic impacts.

As Banco Falabella Colombia is a retail-focused bank, the portfolio composition analysis is primarily based on the products and services offered to individual customers.

As of December 2025, the total consumer loan portfolio amounted to approximately **COP 5.4 trillion**, consisting of:

- Credit cards: **COP 2.9 trillion (53%)**
- Consumer loans: **COP 2.6 trillion (47%)**

This composition demonstrates a high concentration in consumer lending products, with credit cards representing the largest product category within the portfolio.

With respect to funding sources, deposits and other liabilities totaled approximately **COP 4.9 trillion**, with the following composition among individual customers:

- Time deposits: **COP 2.0 trillion**
- Demand deposit balances: **COP 335 billion**
- Savings deposits: **COP 334 billion**

The portfolio structure reflects the bank's focus on consumer financing for individual customers and provides the foundation for analyzing its most significant impacts, particularly in relation to financial inclusion, financial well-being, and responsible lending practices.

The bank does not have exposures in corporate banking, investment banking, or financing of industrial sectors. Consequently, the analysis focuses on retail banking products and their direct impact on customers.

Context Analysis

Banco Falabella Colombia's context analysis considers the country's key sustainable development challenges in order to understand how the impacts arising from the bank's activities relate to societal needs.

In Colombia, significant challenges remain in terms of financial inclusion and access to formal financial services, particularly among lower-income and vulnerable population segments. Despite advances in financial inclusion, gaps persist in access to, usage of, and quality of financial products, as well as in users' financial literacy and understanding.

In this context, **financial well-being** emerges as a key challenge, given the need to promote informed financial decision-making, prevent over-indebtedness, and facilitate access to products that are appropriate to customers' repayment capacity.

Likewise, economic and social inequality remains an important challenge, reinforcing the need to promote inclusion and economic development through responsible access to credit and financial services.

From an organizational perspective, challenges related to **diversity, equity, and inclusion** have also been identified, particularly in terms of equal opportunities and participation in the workplace.

From an environmental perspective, while the bank's business model has limited exposure to direct environmental impacts, it recognizes the importance of advancing the management of its operational environmental footprint and contributing to addressing the global challenge of climate change.

To develop this context analysis, the bank considered information from public sources, international frameworks such as the United Nations Sustainable Development Goals (SDGs), its internal double materiality assessment process, and engagement with various stakeholder groups.

Identification of Key Impacts

Based on the scope of the analysis, portfolio composition, and country context, Banco Falabella Colombia has identified that its most significant impacts are concentrated in the **social dimension**, reflecting its nature as a retail bank focused on consumer financing.

The bank recognizes that its activities generate both positive and negative impacts on individuals' financial well-being, depending on how customers use financial products.

Among the main positive impacts identified are:

- Promoting financial well-being through access to simple, transparent products tailored to customers' needs.
- Advancing financial inclusion by facilitating access to the financial system for traditionally underserved population segments.
- Strengthening financial education through initiatives aimed at customers, employees, and communities to improve financial decision-making.

At the same time, the bank acknowledges potential negative impacts associated with its activities, primarily:

- The risk of customer over-indebtedness, particularly in consumer lending products.
- Deterioration of individuals' financial well-being resulting from the inappropriate use of financial products.
- Potential adverse effects on customers' quality of life arising from uninformed financial decisions.

In this context, the bank has defined **Financial Well-being** as the central pillar of its sustainability strategy, recognizing its role in generating direct impacts on people's lives.

Additionally, the bank has identified other relevant impacts:

- **Internal social dimension:** promoting diversity, equity, and inclusion through an inclusive and equitable organizational culture.
- **Environmental dimension:** although of lower relative materiality, the bank recognizes its impact through its operations, particularly in relation to emissions, and has established commitments such as adherence to carbon neutrality targets (**Net Zero for Scope 1 and Scope 2 emissions by 2035 at the Group level**).
- **Governance dimension:** promoting transparency, integrity, and compliance as the foundation for responsible business management.

These impacts were identified and further informed by the bank's double materiality assessment, which enables sustainability management to be aligned with the issues that generate the greatest value for stakeholders and the business.

Targets, Target Implementation, and Action Plans/Transition plans

Show that your bank has set and published a minimum of two SMART targets which address at least two different areas of most significant impact that your bank identified in its impact analysis. Once targets are set, explain the actions taken and progress made. Include details regarding: Alignment, Baselines, Targets, Target Implementation & Monitoring (and KPIs), Action Plans/ Transition plans and Milestones.

Banks are encouraged to disclose information regarding actions they are taking in four priorities laid out in Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector (2024).

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The bank has defined its sustainability objectives in line with its key impact areas, particularly financial well-being and financial inclusion, aligned with the United Nations Sustainable Development Goals (SDGs), especially **SDG 10 (Reduced Inequalities)**.

In this context, the bank has established key performance indicators (KPIs) to measure progress in these areas. These indicators are monitored regularly through management processes, committees, and corporate governance bodies.

With respect to financial well-being, the bank has defined indicators that capture customer perceptions and the reach of its initiatives, including:

- The percentage of individuals who perceive Banco Falabella as a transparent institution, which increased from **12% in 2024 to 13% in 2025**.
- The percentage of individuals who perceive Banco Falabella as contributing to financial education, which changed from **10% in 2024 to 9% in 2025**.
- The number of people reached through financial education programs, which increased from **2,729 in 2024 to 6,254 in 2025**.

These indicators provide a measurement baseline from which the bank can monitor its contribution to the financial well-being of individuals.

In addition, within the area of **Diversity, Equity, and Inclusion (DEI)**, the bank has established complementary indicators that reflect its impact within the workplace environment:

- Employee perception of diversity and inclusion, which increased from **94% to 95%** between 2024 and 2025.
- The percentage of women in leadership positions (top and middle management), which increased from **39% to 41%**.
- The percentage of employees with disabilities, which increased from **0.36% to 0.64%**.

These indicators form part of the baseline used by the bank to define and monitor its sustainability objectives, aligning its management approach with the generation of positive impacts for its stakeholders.

Consistent with the above, the bank has established specific targets for 2026 aimed at strengthening its contribution in priority impact areas:

Financial Well-being

- Achieve a **12% customer perception rate** identifying the bank as a transparent institution.
- Achieve a **9% customer perception rate** regarding the bank's contribution to financial education.
- Reach at least **3,300 people** through financial education programs.

Diversity, Equity, and Inclusion

- Achieve an **86% positive employee perception** regarding diversity and inclusion.
- Reach **40% female representation** in leadership positions.
- Achieve **1% representation of employees with disabilities**.

In addition, the bank incorporates environmental targets aligned with the Falabella Group's commitment to achieving **Net Zero Scope 1 and Scope 2 emissions by 2035**, including the monitoring of operational CO_2-equivalent emissions.

The indicators defined constitute the KPIs used to monitor progress toward the achievement of these targets. They are reviewed regularly through various management forums within the bank, including internal committees and reporting to senior management, ensuring their integration into decision-making processes.

Through this approach, the bank seeks to progressively strengthen an impact-based sustainability strategy aligned with international standards and focused on creating value for its stakeholders.

Action Plan

To achieve the defined objectives, the bank has established an action plan that includes a range of initiatives aimed at strengthening its impact on financial well-being and diversity, equity, and inclusion.

Among the key actions is the development and implementation of financial education programs targeted at customers, employees, and communities, with a focus on strengthening capabilities for informed financial decision-making.

The bank also works on the design and continuous improvement of simple, transparent financial products tailored to customers' needs, while promoting responsible lending practices.

Within the area of **Diversity, Equity, and Inclusion**, the action plan includes initiatives to:

- Increase the representation of women in leadership positions.
- Promote the employment inclusion of people with disabilities.
- Strengthen an inclusive organizational culture.

Principle 3:
Clients & Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

Client and Customer engagement
Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. It should include information on the client engagement strategy including but not limited to the impact areas identified/ targets set, awareness raising activities with clients and customers, relevant policies and processes, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

Protocolo para la atención de personas con discapacidad
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Oficinas
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Banco Falabella Colombia has established a structured approach to customer engagement aimed at promoting responsible and sustainable financial practices, in line with its financial well-being strategy.

The bank develops initiatives designed to strengthen customers' financial capabilities, with the objective of fostering informed decision-making and the responsible use of financial products. These initiatives include:

- Financial education programs targeted at customers, communities, and employees.
- Content and communications aimed at promoting the responsible use of credit.
- The development of simple, transparent products tailored to customer needs.
- Continuous improvement of the customer experience, facilitating access to and understanding of financial services.

The bank monitors these efforts through specific indicators, such as the number of individuals reached through financial education programs and customer perceptions regarding the bank's contribution in this area.

In addition, the bank promotes responsible lending practices through credit assessment and underwriting processes that take customers' repayment capacity into account, helping to mitigate risks such as over-indebtedness.

Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how your bank has developed these in the reporting period. Provide information on sustainability-related products and services and frameworks in place that support the transition needs of clients, size of the sustainable finance portfolio in USD or local currency and/or as a % of your bank's portfolio,* and which SDGs or impact areas you bank is striving to make a positive impact on (e.g. green mortgages—climate, social, sustainability bonds—financial inclusion, etc.).

* Provide information on the sustainable finance frameworks/standards/taxonomies used to label sustainable finance volumes

Protocolo para la atención de personas con discapacidad
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Banco Falabella Colombia has identified several business opportunities associated with strengthening positive impacts on its customers, particularly in the area of financial well-being.

These opportunities are primarily reflected through:

- The development and expansion of accessible, simple, and transparent financial products designed to facilitate access to the financial system for underserved segments.
- The continued enhancement of its **mobile-first digital strategy**, enabling broader access to financial services in an efficient and convenient manner.
- Integration with the Falabella Group ecosystem, facilitating access to benefits, financing solutions, and financial services within customers' everyday consumption activities.
- The strengthening of financial education initiatives as a key enabler of the responsible use of financial products.

While the bank does not currently formally classify its portfolio as consisting of "sustainable" products, it recognizes that a significant portion of its activities contributes to the **financial inclusion and financial well-being** of individuals.

These opportunities support the bank's strategy of generating sustainable value, while reinforcing its contribution to reducing barriers to financial access, promoting responsible financial behavior, and improving customers' overall financial well-being.

Principle 4:
Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

Stakeholder identification and consultation
Describe which stakeholders (or groups/types of stakeholders) your bank has identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of the bank's engagement strategy following criteria for effective engagement and advocacy, how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

Balance Sostenibilidad 2025
https://www.bancofalabella.com.co/page/sostenibilidad-banco-falabella

Política de diversidad e inclusión
https://assets.ctfassets.net/ex6ts2p2j0ib/3056IjMeSUaCbk2nXREsW6/67f349711d182fb41ae478a75ca8a5a5/Politica_de_Diversidad_e_Inclusion.pdf

Reporte Principios Banca Responsable
https://assets.ctfassets.net/ex6ts2p2j0ib/5PgpSIYYkjYljLnQdvlRSA/da844bc60f38f96e8b3e288a500d75f1/Reporte_Banca_Responsable_2026.pdf

Banco Falabella Colombia has established structured mechanisms to identify, engage with, and incorporate the perspectives of its key stakeholders in the implementation of its sustainability strategy, with a strong focus on customers and the promotion of financial well-being.

The bank has identified the following as its primary stakeholder groups:

- Customers
- Employees
- Communities
- Regulators and industry associations
- Suppliers
- Shareholders
- Falabella Group

Relationships with these stakeholders are managed in a responsible, transparent, and collaborative manner, recognizing their importance in generating economic, social, and environmental impacts.

The bank maintains various engagement mechanisms with its stakeholders, including:

- Customer and employee perception surveys
- Customer service and support channels (including call centers and digital channels)
- Financial education programs for customers and communities
- Communication and engagement forums with regulators and industry associations
- Internal people management and organizational culture processes

These mechanisms enable the systematic collection of stakeholder perspectives and needs, which are then incorporated into decision-making processes and continuous operational improvement.

A specific example of this engagement process is the redesign of the consumer loan statement implemented in Colombia to improve the clarity and understanding of information provided to customers. This initiative resulted in:

- Enhanced transparency of customer information
- Reduced requests for clarification related to purchases and account activity
- Lower escalation rates to second-level customer support
- Improved efficiency across service channels, reducing interaction times by approximately 3%

This change had a positive impact on the customer experience by facilitating the understanding of credit products and strengthening customer trust in the institution.

In addition, the bank aligns its engagement approach with different stakeholder groups through the definition of specific objectives and initiatives tailored to each group, including:

- Financial well-being and financial inclusion for customers and communities
- Diversity, equity, and inclusion for employees
- Regulatory compliance and best practices for regulators
- ESG management practices throughout the value chain for suppliers

The bank's double materiality assessment incorporated stakeholder perspectives, enabling the identification and prioritization of the most relevant issues from both an impact and financial materiality perspective.

As a result, stakeholder engagement serves as a key input for impact analysis, priority setting, and the development of action plans, ensuring that the sustainability strategy is aligned with stakeholder expectations and contributes to the creation of sustainable long-term value.

Principle 5:
Governance & Culture

We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

Governance Structure for Implementation of the Principles
Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts (including accountability at the executive leadership level, clearly defined roles and responsibilities for sustainability matters in internal processes, etc.) and support the effective implementation of the Principles.

Política de gobierno corporativo
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Canal de Integridad
https://images.ctfassets.net/ex6ts2p2j0ib/Dj0ihOWQb2qscFk1bBDWe/74bb6514b425436250881cd13cc92240/BFCO.PE.PO.2.PL.46_C-C3-B3digo_de_Integridad_BFCO.pdf

Informe anual de gobierno corporativo
https://assets.ctfassets.net/ex6ts2p2j0ib/1DczHLafuJSFuBXBXFLlto/f7e872e4e88e16d253461f7496d38fa7/Informe_Gobierno_Corporativo_2025__final__20032026_.pdf

Reporte Principios Banca Responsable
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Banco Falabella Colombia has a governance structure that enables the coordinated management of its sustainability strategy and supports progress toward the implementation of the Principles for Responsible Banking.

At the Falabella Group level, a **Sustainability Hub** has been established to strengthen the implementation of the sustainability strategy in a consistent, coordinated, and cross-functional manner across the business. This Hub is supported by a corporate structure led by the **Corporate Development, Planning and Sustainability Management**, which is responsible for defining the strategy, guidelines, and standards applicable across all countries.

Implementation is carried out through sustainability leaders in each country, including Colombia, who operate under a matrix structure: they maintain direct alignment with the corporate level while serving as local sustainability focal points within the organizational structure. This model ensures both regional strategic consistency and adaptation to local contexts.

The Sustainability Hub coordinates its work through internal sponsors organized around the Group's key sustainability pillars:

- **Financial Well-being**, with participation from Marketing, Customer Experience, and commercial teams.
- **Diversity, Equity, and Inclusion**, led by Human Resources.
- **Environment**, with participation from Infrastructure and Risk teams.
- **Governance**, involving Risk, Compliance, and other support functions.

With respect to formal governance, the model includes several monitoring and oversight bodies:

- An annual Sustainability Committee.
- An annual presentation of progress and results to the Board of Directors.
- Semi-annual meetings with General Managers.
- Bi-weekly Sustainability Hub meetings.
- Quarterly regional meetings among sponsor teams.

This framework ensures continuous oversight, cross-functional coordination, informed decision-making, and ongoing improvement in the implementation of the sustainability strategy.

At the local level, the bank also maintains periodic performance monitoring mechanisms, including internal committees and reporting processes to senior management, where KPIs related to financial well-being, financial inclusion, and diversity, equity, and inclusion are reviewed.

These governance mechanisms enable the bank to:

- Monitor progress against established targets.
- Identify deviations from expected performance.
- Define and implement corrective actions when necessary.

In addition, the sustainability strategy is aligned with the Falabella Group's broader commitments, including environmental targets such as achieving **Net Zero Scope 1 and Scope 2 emissions by 2035**.

Promoting a culture of responsible banking:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, learning & development, sustainability training for relevant teams, inclusion in remuneration structures and performance management and leadership communication, amongst others).

Política de gobierno corporativo
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Canal de Integridad
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Informe anual de gobierno corporativo
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Reporte Principios Banca Responsable
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Banco Falabella Colombia promotes a culture of responsible banking by integrating financial well-being, transparency, and sustainability into its day-to-day operations. To support this approach, the bank has established a governance structure led by the **Sustainability Hub**, which brings together areas such as Marketing, Customer Experience, Human Resources, Risk, and Compliance.

A key initiative is the **Simplicity and Transparency Program**, which aims to embed a consistent organization-wide standard to ensure that products, processes, and communications are clear, simple, and easy to understand. This initiative strengthens customers' ability to make informed decisions and reinforces an organizational culture based on transparency and the responsible use of financial services.

In addition, the bank promotes training and awareness initiatives on sustainability, financial well-being, diversity and inclusion, ethics, and integrity. These efforts are complemented by internal communications and the regular monitoring of performance indicators through committees and senior management oversight.

This approach helps embed the principles of responsible banking into both daily operations and employee decision-making processes.

Risk and due diligence processes and policies

Describe what processes your bank has installed to identify and manage environmental and social risks associated with your bank's portfolio. This can include aspects such as identification of significant/salient risks, due diligence processes, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures your bank has in place to oversee these risks.

Política de gobierno corporativo
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Informe anual de gobierno corporativo
https://assets.ctfassets.net/ex6ts2p2j0ib/1DczHLafuJSFuBXBXFLlto/f7e872e4e88e16d253461f7496d38fa7/Informe_Gobierno_Corporativo_2025__final__20032026_.pdf

Reporte Principios Banca Responsable
https://assets.ctfassets.net/ex6ts2p2j0ib/5PgpSIYYkjYljLnQdvlRSA/da844bc60f38f96e8b3e288a500d75f1/Reporte_Banca_Responsable_2026.pdf

Banco Falabella Colombia is progressively strengthening the integration of environmental and social risks into its risk management and sustainability processes, in line with local regulations, the Principles for Responsible Banking, and the Falabella Group's corporate guidelines.

The identification of ESG risks and opportunities is based on the bank's impact analysis and double materiality assessment, which identified financial well-being, financial inclusion, diversity, equity and inclusion, transparency, and environmental management of operations as priority topics.

As part of its due diligence approach, the bank promotes the development of simple and transparent products that enable customers to better understand financial terms and conditions.

The monitoring of these risks and impacts is carried out through indicators and targets related to financial well-being, financial education, diversity and inclusion, and environmental performance. These metrics are reviewed periodically through internal committees and reported to senior management.

Oversight of these issues is supported by a governance structure that includes the Sustainability Hub, local sustainability leaders, and sponsors from functions such as Risk, Compliance, Human Resources, and Infrastructure, in addition to the Sustainability Committee and the Board of Directors. These bodies are responsible for reviewing progress, performance, and action plans related to the bank's key environmental and social risks and impacts.

Furthermore, the bank maintains integrity mechanisms and reporting channels that enable the management of inquiries, complaints, and concerns raised by stakeholders, strengthening transparency, accountability, and the responsible management of the business.

Principle 6:

Transparency & Accountability

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

The information provided in the Responsible Banking Progress Statement is sufficient. If third-party assurance has been undertaken, provide details on the scope of assurance and the reference/link to the Independent (Limited) Assurance Report