

Environmental and Social Review Summary (“ESRS”) Banco Popular: Subordinated Silver Bonds to Support Senior Citizens in Colombia / 15448-01

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- 1. Scope of Environmental and Social Review.** The Environmental and Social (“E&S”) analysis of the proposed transaction involved reviewing relevant documentation (policies, plans, and procedures) as well as the loan portfolio of Banco Popular S.A. (“Banco Popular” or the “Bank”). Banco Popular is a new client for IDB Invest; however, it is part of Grupo Aval, with which IDB Invest maintains financing lines through other financial institutions within the group.
- 2. Environmental and Social Categorization and Rationale.** The proposed transaction has been classified as IF-3 under IDB Invest’s E&S Policy, as it involves the issuance of a Silver Bond whose funds will be exclusively allocated to the individual segment, promoting access to financing for low-income senior citizens. This implies that the associated environmental and social risks are considered minimal.

Currently, the sub-loans in the senior citizens’ portfolio have an average amount of US\$14,529¹ and an average term of 115 months.

The project is considered aligned with the Paris Agreement, based on an analysis conducted in accordance with the IDB Group’s Paris Alignment Implementation Approach.

- 3. Environmental and Social Risks and Impacts.** The main E&S risks of this transaction are related to Banco Popular's ability to assess and manage the risks associated with its financing activities. These E&S risks may include waste generation, non-compliance with environmental regulations, occupational safety standards, among others. The E&S risk level associated with the subprojects is considered to be very low.
- 4. Mitigation Measures.** Banco Popular is in the process of designing and implementing an Environmental and Social Management System (“ESMS”) that will be applied to corporate banking loans under specific criteria. It also has Corporate Governance, Sustainability, and Human Talent Committee, which supports the approval, oversight, and monitoring of policies, guidelines, and practices related to corporate governance and sustainability, without replacing the responsibilities of the Board of Directors.

The Bank has policies directed to Human Resources, such as the Diversity, Equity, and Inclusion Policy and the Code of Ethics and Conduct, which incorporate principles of non-discrimination and equal opportunity, as well as a grievance mechanism for employees.

¹ The calculation of this indicator is based on the Representative Market Exchange Rate in effect as of December 31, 2025, which closed at 3,757 COP.

Banco Popular must ensure that all sub-loans within the asset class financed by IDB Invest comply with IDB Invest's exclusion list and applicable local E&S laws. Additionally, the bank's E&S risk management team will complete an online training program provided by IDB Invest on E&S risk management.

5. **Environmental and Social Action Plan ("ESAP").** N/A.
6. **Contact Information** For project inquiries, including environmental and social questions related to an IDB Invest transaction please contact the client (see **Investment Summary** tab), or IDB Invest using the email divulgacionpublica@iadb.org. As a last resort, affected communities have access to the IDB Invest Independent Consultation and Investigation Mechanism by writing to mecanismo@iadb.org or MICI@iadb.org, or calling +1(202) 623-3952.