



# 7

## Our commitment to stakeholders



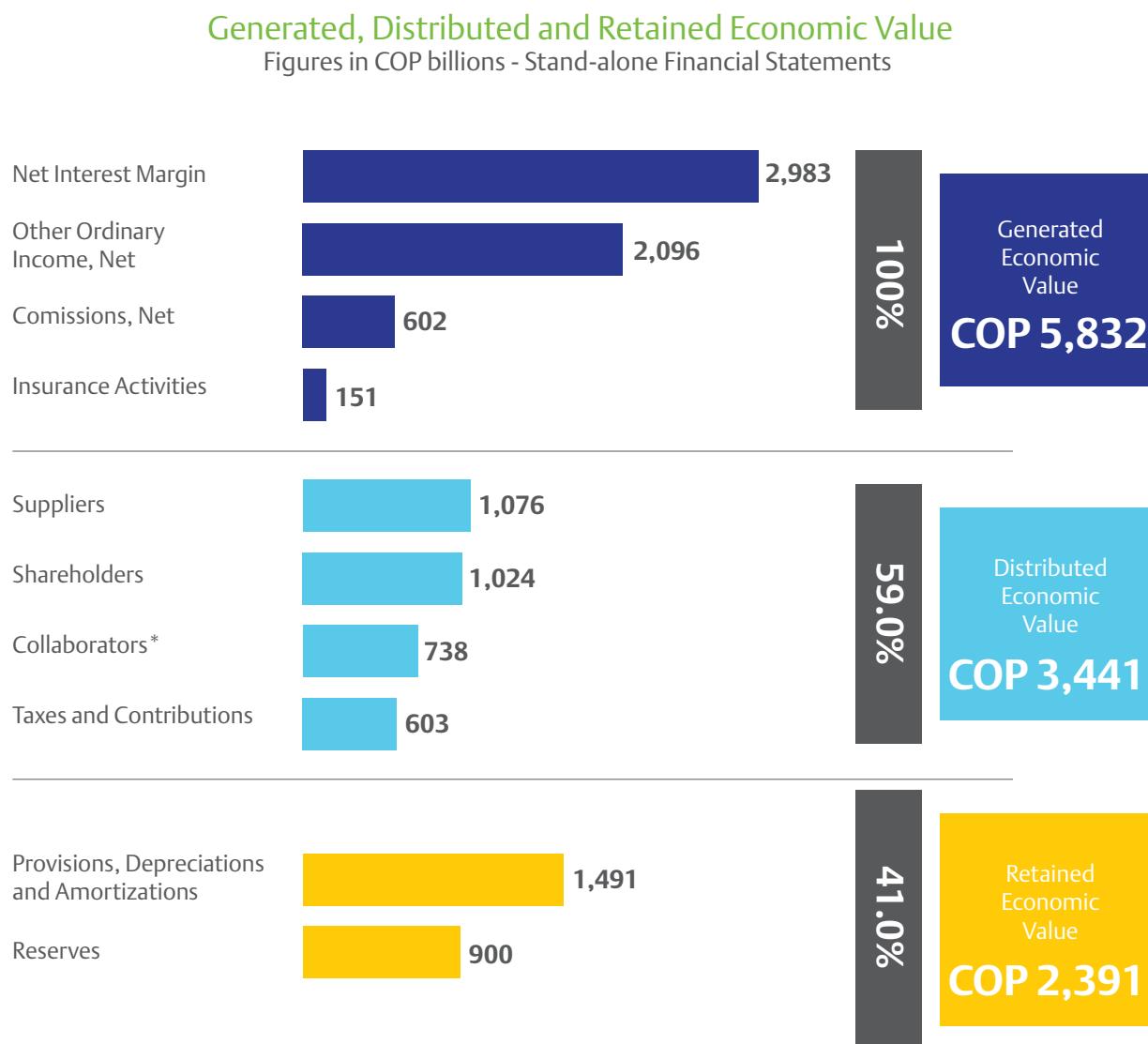
We contribute to the development of our Stakeholders through inclusive and sustainable initiatives.

## 7. Our commitment to stakeholders

### Contribution to Colombia's Economic Development

In 2017, we achieved efficient and sustainable growth that generated economic value for the national economy.

Our Generated Economic Value, Distributed Economic Value and Retained Economic Value<sup>9</sup> illustrate in figures the economic profitability we generated this year, as well as the way in which we distributed this value among the different Stakeholders:



\* Collaborators do not include outsourcing and fixed term contracts, these items are in the suppliers' line.

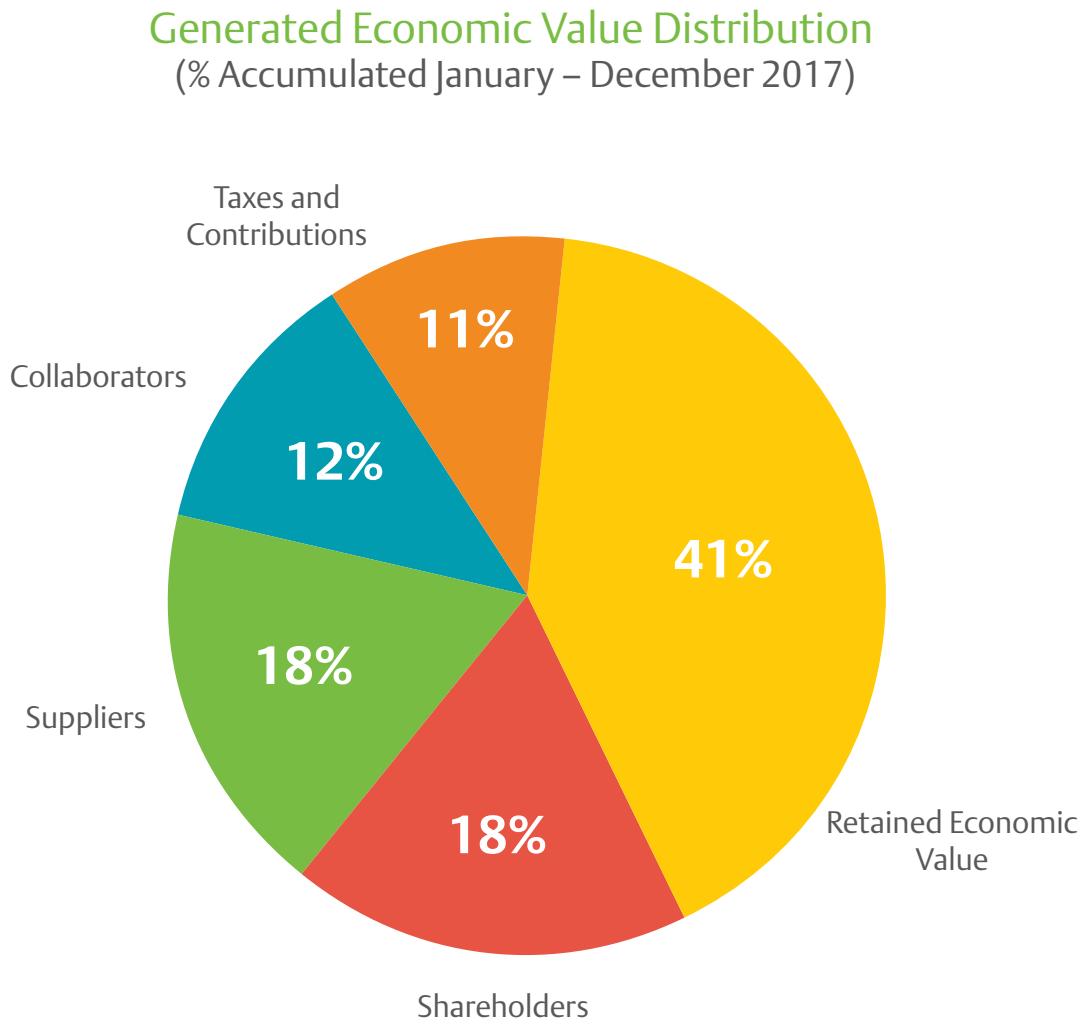
The **Economic Value** that we generated totaled COP 5,832 billion, which represents the value received through the placement of our products on the market and the provision of our financial services.

Of this **Generated Economic Value**, 51.1% was derived from the net interest margin; followed by 35.9% from other net ordinary revenues such as investments, equity method, dividends, and others; 10.3% from net commissions; and 2.6% from insurance activities.

9 The current status of Generated, Distributed and Retained Value was calculated following some of the basic aspects of the methodology described for that purpose by the G4 GRI guide. The Global Reporting Initiative (GRI) is an organization created to promote and develop worldwide standards for measuring and presenting corporate management reports. Figures used in this methodology are gathered from Banco Bogotá's stand-alone financial statements

## Distribution of Generated Economic Value among Our Stakeholders

Our greatest contribution to society is undoubtedly the generation and distribution of economic value for the various people and organizations involved in the value chain. In 2017, the following was recorded:



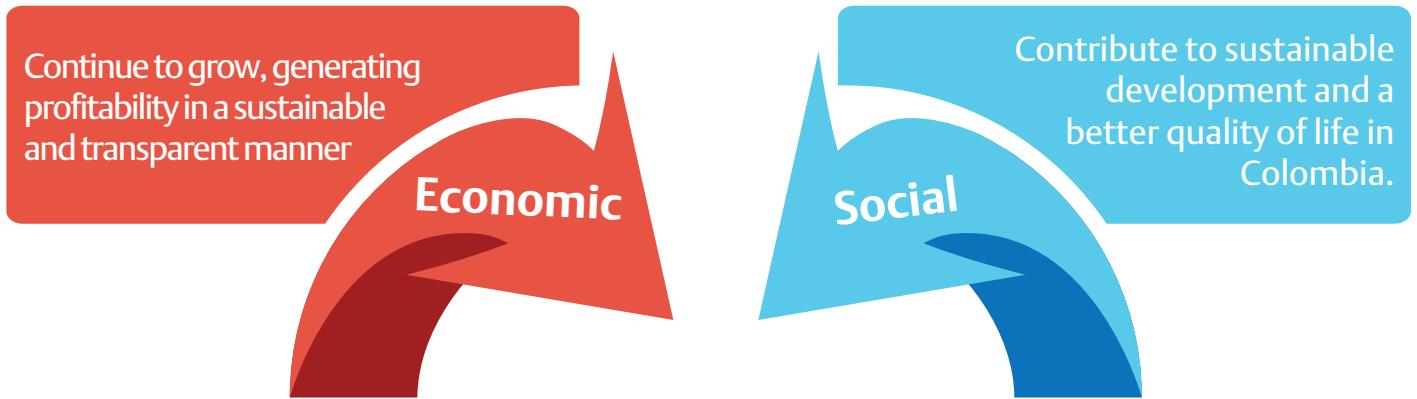
Source: BdB, Stand Alone Financial Statements

Of total **Economic Value**, 18% was distributed through dividends to our shareholders; 18% was paid to our suppliers, who meet our requirements for products or services for the efficient performance of our activities; 12% was distributed to our direct employees through payment of salaries, bonuses, social security contributions, indemnities, among others; and 11% was paid in taxes, donations and other contributions to the State.

Our **Retained Economic Value** represents 41% of our generated economic value, reaching a sum of COP 2,391 billion. This important item is allocated to the establishment of reserves, provisions, impairment, amortization and depreciation, which protect the development of medium- and long-term expansion projects and ensure business continuity.

## Our Approach to Corporate Social Responsibility

We recognize the impact that financial transactions and services have on the lives of people and the environment. For this reason, we are committed to managing our business responsibly through initiatives that harness our knowledge, strengths, soundness and experience to benefit our Stakeholders. We apply this strategy through four dimensions:



**RESPONSABILIDAD**  
*Social* | Banco de Bogotá



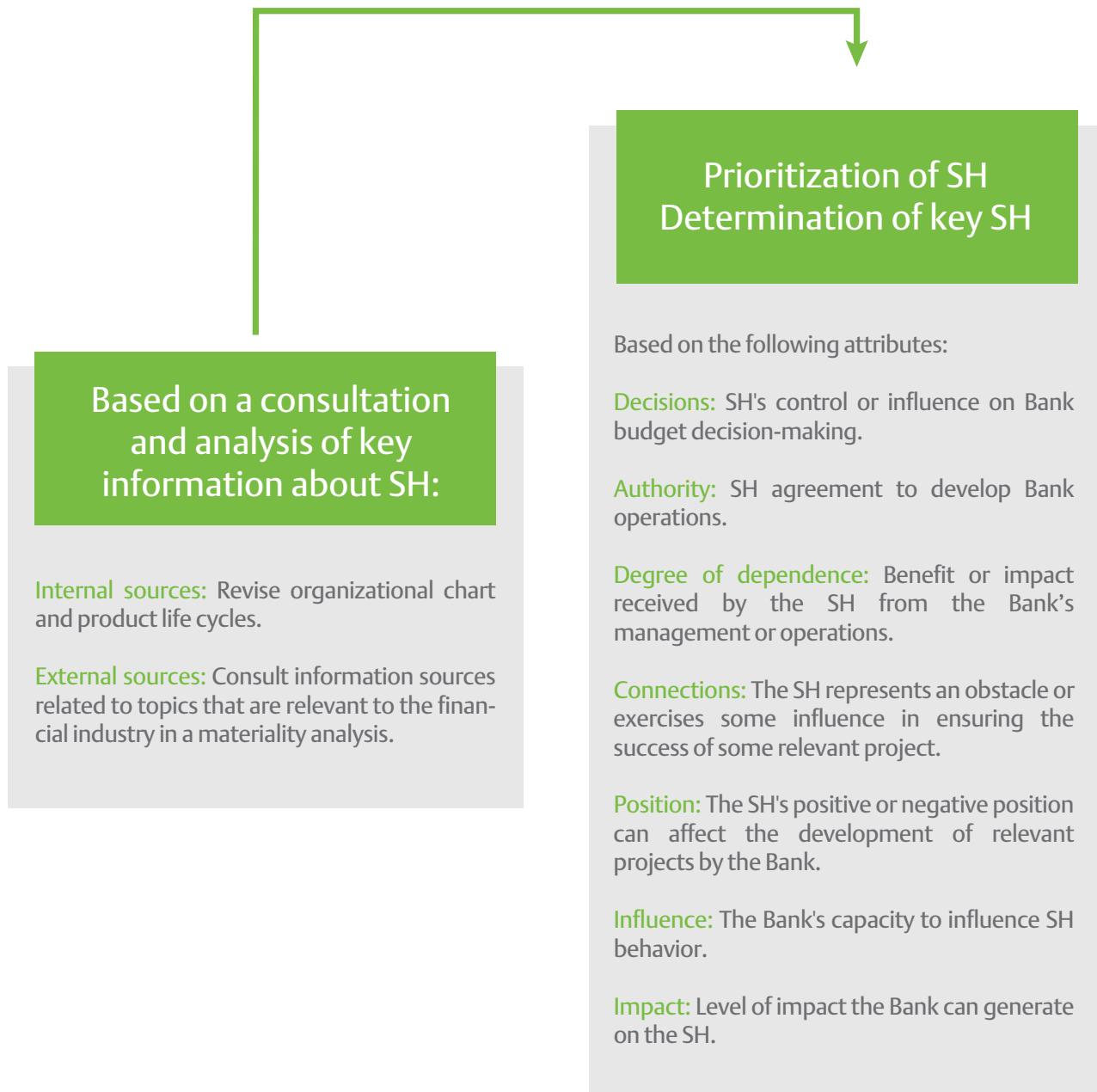
# Sustainability Management:

## Our Stakeholders

We define Stakeholders as those who may be affected by the activities, products or services provided by our business, and whose actions, in turn, can determine our capacity to successfully develop our strategies and achieve our objectives.

### Identification and Prioritization

We conducted an exercise to identify and prioritize our Stakeholders, with assistance from several Bank departments in charge of relations with these groups. We used the following process:



Based on the above analysis, we identified the most important Stakeholders for our operations.



Knowing how important the information about our operation is to our Stakeholders so they can make decisions, we identified them to include the main actions undertaken with each one during the period reported.

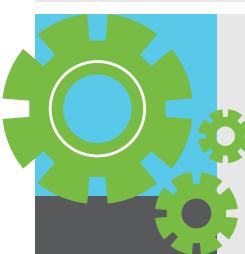


## Dialogs

With the aim of understanding our Stakeholders' perception on the most important topics for the Bank's Sustainability, in 2016 and 2017, we carried out dialogs with clients, suppliers, branch managers, sales employees and shareholders.

These sessions were conducted by means of co-creative construction workshops, during which participants identified and prioritized fundamental aspects based on criteria of risk, impact and timing, offering us their perceptions on each aspect.

### Main Topics Prioritized by each Dialog Session:

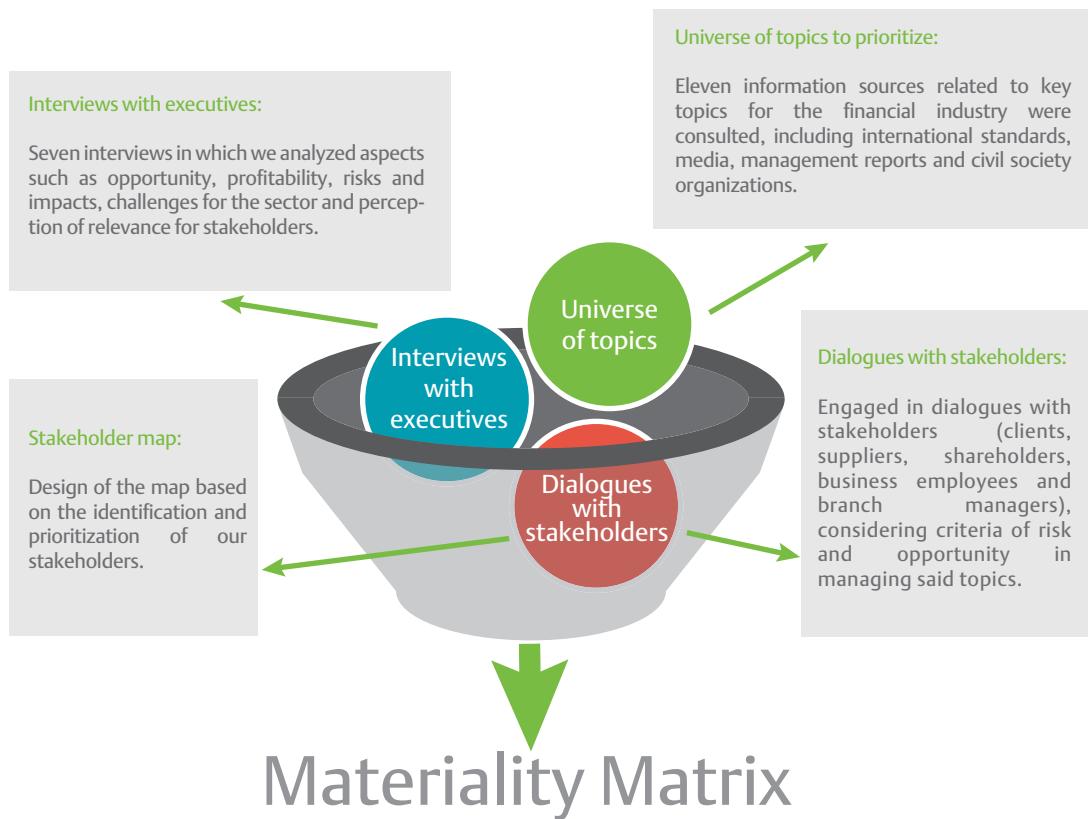
	<p><b>Dialogues with employees</b></p> <ul style="list-style-type: none"><li>• Human talent training and development</li><li>• Client service and satisfaction</li><li>• Innovation and information technologies</li><li>• Efficient use of resources</li><li>• Transparency and trust</li><li>• Financial education and inclusion</li></ul>
	<p><b>Dialogues with clients</b></p> <ul style="list-style-type: none"><li>• Client service and satisfaction</li><li>• Human talent training and development</li><li>• Client security and protection</li><li>• Efficient use of resources</li><li>• Analysis of social and environmental risks associated with the provision of loans and financing</li><li>• Transparency and trust</li></ul>
	<p><b>Dialogues with suppliers</b></p> <ul style="list-style-type: none"><li>• Efficient use of resources</li><li>• Human talent training and development</li><li>• Client service and satisfaction</li><li>• Corporate Governance</li><li>• Financial opportunities derived from climate change</li><li>• Financial education and inclusion</li><li>• Innovation and information technologies</li></ul>
	<p><b>Dialogues with Administrative Managers in Banking Branches</b></p> <ul style="list-style-type: none"><li>• Transparency and trust</li><li>• Client service and satisfaction</li><li>• Diversity in hiring and remuneration</li><li>• Risk management</li><li>• Occupational health and safety</li><li>• Financial education and inclusion</li><li>• Efficient use of resources</li></ul>
	<p><b>Shareholders' Interviews</b></p> <ul style="list-style-type: none"><li>• Maximize Company value</li><li>• Profitability</li><li>• Risk management</li><li>• Corporate Governance</li><li>• Definition, dissemination, management and administration of policies</li><li>• Compliance and ethics</li></ul>

## Our Materiality Analysis

In order to understand the current context of Sustainability, and to learn of the expectations of our Stakeholders, we began our materiality analysis exercise in 2016, which was completed in 2017.

A topic is defined as material when it has economic, environmental and social effects from the perspective of our executives, or because it significantly influences our Stakeholders' decisions.

The process included the following key steps:





Through this process, we developed the materiality matrix with the following categories for cross-referencing: (i) important aspects for the Bank's Management; and (ii) important aspects for Stakeholders. The outcome, which determines the material aspects for our Bank's sustainability, was built based on cross-referencing both components.

## Material Issues for Sustainability

For the Bank, the foundation of sustainability is the ethical commitment we have always held in order to establish a company that promotes values and transparency, is cautious in its decisions, considers Stakeholders' needs and expectations, is strategically guided, and profitable.

This principle becomes the fundamental framework for our Bank's material sustainability issues:

- **Client relations and management:** they are our raison d'être; the reason why we constantly innovate and prepare, and consequently our permanence over time depends on how we relate with and manage our clients. As banking

pioneers in Colombia, we have a major challenge and a great responsibility that drives us to always be on the cutting edge of the products, services and channels that we offer. See our efforts concerning the above in: Chapter 4

- **Talent development:** this is very important for the development of our business, because human talent is part of our essence, and each employee's contribution becomes an essential part of the sustainability, growth and satisfaction of our clients. Our achievements and recognition in the financial sector are essentially the result of each employee's contribution. See our efforts concerning the above in: Chapter 6

- **Risk management:** the identification of major risks to which we are exposed, as well as ensuring the existence of adequate management systems is indispensable in order to achieve sustainability for our business. Such risk management includes reputational, financial (including loan risk), legal operations (including regulatory risk), SARO operational risk, money laundering and terrorist financing (SAFLAFT, for the Spanish original), markets and liquidity risks. See our efforts concerning the above in: Chapter 8



• **Innovation and information technology:** this matter is of great importance for our Bank's sustainable development, as it allows us to create differentiating initiatives in client service, and therefore it is one of our institutional purposes. We are committed to having a positive impact on the lives of the clients we serve, designing solutions that add value to our financial services and products. See our efforts concerning the above in: Chapter 5

• **Efficiency in the use of resources:** we are aware of the challenge our business faces regarding the efficient use of natural resources and their derivatives, which we use in the course of our operations. For this reason, we have identified this material issue as an opportunity to enhance our sustainability strategy. See our efforts concerning the above in: Chapter 7

• **Regulatory compliance:** The continuity of our business necessarily depends on compliance with national and international regulations at all levels. In this regard, we ensure regulatory compliance in our everyday operations, and we manage it from a perspective of risks, impacts and opportunities. See our efforts concerning the above in: Chapter 8

• **Corporate governance:** we understand the importance of good corporate governance practices and the influence they have on preserving the value that we offer our Stakeholders and in strengthening our relations with them. See our efforts concerning the above in: Chapter 1

• **Profitability:** healthy growth (growth in volume and market share) and profitable growth (improving our revenues, profits and returns on assets and capital) is very important for our long-term permanence, and for satisfying the expectations of all our Stakeholders. See our efforts concerning the above in: Chapter 3

In this regard, it is important to point out that the order of the issues does not represent their level of importance for the Bank's management. Moreover, we should also note that other issues were raised during the materiality analysis process, but were not included in this list because only those mentioned both by Management and Stakeholders were listed (e.g., reputation and brand, commitment to the community, fair and timely payment to suppliers, and others, were also discussed, but were not mentioned by both groups).

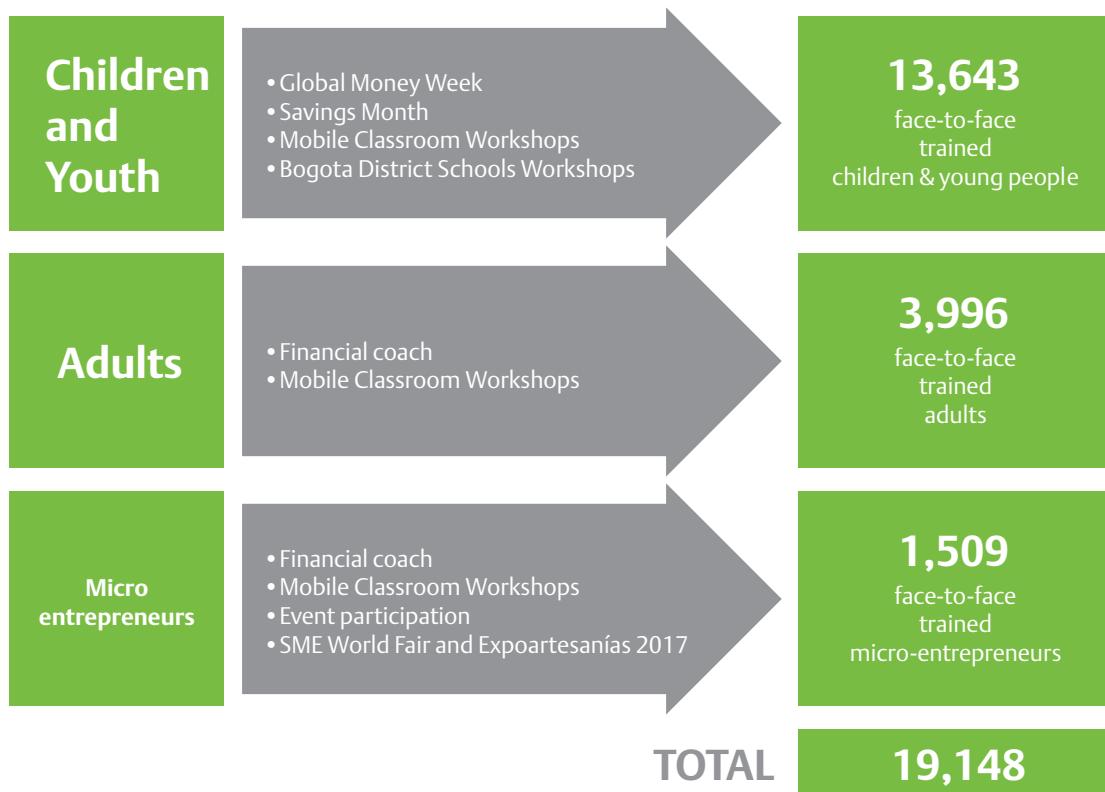
# Community Relations

## • Financial Education Program

### Face-to-face training in financial education:

Financial education is undoubtedly one of the most important pillars of our Corporate Social Responsibility strategy, because of its high impact on society and its important contribution to the process of inclusion and incorporation into the banking system.

Our face-to-face education strategy is targeted at three main audiences:



We also toured the country through our mobile financial education classrooms, applying our program in partnership with leading organizations: The German Foundation (Sparkassenstiftung Colombia) and Fundación Plan Internacional.



*Children receiving their financial education certificate at our mobile classroom*

In 2017, we performed the following financial education activities throughout the country:

<b>1. Financial coaching</b>	Conferences aimed at adult members of the public and micro-entrepreneurs 2017 total: 544 people trained
<b>2. Mobile classroom training:</b>	<p>Training workshops for children, youth, adults and micro-entrepreneurs, taught in the mobile classroom:</p> <p>1. German Foundation: Starting in May 2017, we were present in 34 municipalities in Colombia:</p> <ul style="list-style-type: none"><li>• May: Armenia, Salento y La Tebaida.</li><li>• June: Circasia, Barcelona, Calarca, Montenegro, Quimbaya, Córdoba, Pijao, La Virginia y Dosquebradas.</li><li>• July: Jardín, Ciudad Bolívar, Cañasgordas, Frontino, San Jerónimo, Anorí, Yalí y Vegachí.</li><li>• August: Pereira y San Agustín.</li><li>• September: Pitalito, Acevedo, Isnos y Neiva.</li><li>• October: Aipe, Purificación, Guamo y Lérida.</li><li>• November: Flandes, Carmen de Apicalá, Armero y La Dorada.</li></ul> <p>2017 total: 9.174 people trained</p> <p>2. Fundación Plan: Starting in November 2017, we began traveling through western Colombia, visiting the following municipalities:</p> <ul style="list-style-type: none"><li>• November: Suárez</li><li>• December: Santander de Quilichao</li></ul> <p>2017 total: 773 people trained</p>
<b>3. Workshops for children and youth from public schools in Bogotá</b>	Throughout the year, we were involved in financial education for children and youth in the city of Bogotá, thanks to an invitation made by the local Education Department.  We visited 20 schools and trained 7,067 children and youth.
<b>4. Celebration of Global Money Week and Savings Month</b>	In April and October, we joined the events organized by Asobancaria by offering financial education workshops to children and youth, as part of the international Global Money Week and Savings Month celebrations.  2017 total: 1,590 children trained.





## Virtual financial education initiatives

### Social Media

**87**

publications on social media (Facebook and Twitter) focused on:



- Customer safety in channels, products and services
- Tips on saving and responsible management of financial products and services
- Financial inclusion program

### Financial education website

**91,346**

Users' visit to financial education contents

The most visited contents were:

- All about the credits
- How credit cards work
- Investing is winning



## Partners in Culture

As part of our commitment to involving Colombians in the most important cultural and entertainment events in the country, in 2017 we supported various actions to promote the preservation of the knowledge, customs and traditions of our country.

### Colombiatex

We participated for the fourth year running in *Colombiatex de las Américas*, an event that brings together entrepreneurs, buyers and representatives of the textile industry. At this event, we offered advice and a special offering of products and services for the companies of this important sector.



### Teletón

We once again joined the *Teletón* by providing different forms of payment to enable all Colombians to donate to this worthy cause that seeks to improve the quality of life of thousands of people with physical disabilities or motor impairment in the country.

### Carnaval de Barranquilla

In the Caribbean Region we joined the people during the Carnival of Barranquilla, an event where we promote the healthy coexistence of locals and tourists through responsible enjoyment of the festivities, supporting the city's awareness-raising civic campaign for people to hand over their car keys, moderate their alcohol consumption and use the mass transit system.

### Fiestas del Mar

In Santa Marta we participated in the "Children paint their sea" event, aimed at promoting ecological culture, progress and citizenship among children in the capital of Magdalena through artistic expressions such as mural painting, kite design, sand sculptures, chalk, graffiti and crayon drawings.



## Colombiamoda

At the 2017 edition of Colombiamoda, we supported Paisa designer Jorge Duque Vélez, a talented Colombian who has been a standard-bearer for our country through his creations that promote an avant-garde, sophisticated and delicate image of women. His collection paid tribute to life through new fibers and materials, turning the macro-trends displayed on the major global catwalks into affordable and inclusive pieces. In addition, as part of the event we offered special benefits to the sector's entrepreneurs.

## XXIX International Jazz Festival

Recognized soloists and groups from around the world were present at this event, which brings together well-known musical figures year after year. We offered our cardholders a 20% discount on the ticket's face value, offering the opportunity to enjoy this great show.

## VI International festival of sacred music

The Festival is a multi-cultural event that brings together the best expressions of sacred music from every continent. In the 2017 edition, 50 concerts were held involving over 600 artists from 20 countries across 30 stages in the Colombian capital. In this way, we contribute to the creation of spaces that showcase the planet's enormous cultural wealth.



## XVI Orchid National Exposition

We joined the 2017 edition of the event, which took place at the Bogotá Botanical Garden and where over 2,000 species of our national flower were exhibited. Under the theme 'Recovery of lost orchids from the Sierra Nevada de Santa Marta', Colombia projects itself through events like this as one of the countries with the greatest variety of orchids in the world.

## Expoartesanías

For the third consecutive year we participated in Expoartesanías, a platform that brings together artisans from different regions of the country to display the artistic crafts from their communities, thus celebrating their enormous contribution to the care and preservation of our identity. In addition, we provide financial education to the event's exhibitors, through a talk on the importance of making wise financial decisions that make their businesses much more productive.



*Didactic room project for children in partnership with Amigos de las colecciones del Banco de la República foundation.*

## NGO's and International Organizations Relations

- **Joint development of financial products and services and advice from NGOs and international organizations**

With the aim of contributing through our work to the development of financial products and services based on the needs and expectations of the various Stakeholders that we serve, in 2017 we strengthened our relationship with the academic sector by signing agreements that enrich the work we do.

- **Open Innovation Challenges - Banco de Bogotá and Universidad Nacional de Colombia**

In 2017, we approached Universidad Nacional de Colombia, recognized as one of the best schools in the country and in Latin America, with the aim of promoting among students:

1. Formulation by students of innovation challenges for the Bank.

2. Talent retention and attraction program for university students and Bank employees undergoing training; as well as the construction of a Banco de Bogotá research incubator.

As a result of this agreement, the first innovation workshop will be held in January 2018, with the purpose of gathering the necessary information to understand the organization's needs and expectations regarding identified problems and opportunities. The workshop will involve discussions on the challenges of financial inclusion, strategies for credit card usage and development of new financial products, among other aspects to be addressed in a challenging contest for students.

The ultimate outcome of the exercise will be the creation of an innovation ecosystem, which alongside the academic sector will bring advanced solutions to the Bank for its market and sustainability objectives.

Other initiatives related to the development of financial products and services as a whole and advice from NGOs and international organizations are detailed in Chapter 4 - Our Banking at the Service of Clients, given its importance for our Bank's business strategy.

## • Donations

Through our economic contributions we supported the strengthening of education and other humanitarian causes across a large number of non-profit organizations and foundations. Social contributions in the form of donations are made through Banco de Bogotá's *Corporación Banco de Bogotá para el Fomento de la Educación* (Corporation for the Advancement of Education). Below is a description of our efforts in 2017:

Thematic	No Organizations	Amount
<b>Education:</b> Strengthening formal, informal or complementary education on the good use of free time.	25	COP 412,011,151
<b>Scholarship Plan:</b> Contributions to university and institutional programs that support education for disadvantaged high-performing youths.	8	COP 420,291,450
<b>Comprehensive care:</b> Contributions to foundations that offer comprehensive care programs for vulnerable populations (unmet basic needs such as education, health, food, housing and recreation).	23	COP 181,000,000
<b>Disability:</b> support for foundations with rehabilitation and social and occupational inclusion programs for people with disabilities.	15	COP 578,000,000
<b>Health:</b> Assignment of resources to support foundations and programs to promote education, awareness or rehabilitation programs for individuals with chronic or terminal illnesses.	16	COP 105,000,000
<b>Nutrition:</b> Assignment of resources to support school lunch programs or to provide food to people in vulnerable situations.	3	COP 21,000,000
<b>Environmental Education:</b> Support for environmental education and awareness programs for the population.	1	COP 140,000,000
<b>Promotion of financial education through granting of microcredit:</b> Support to microfinance organizations through financial education programs for micro-entrepreneurs.	1	COP 1,300,000,000

A total of COP 3,157,302,601 was disbursed to strengthen 92 social, environmental and educational programs in Colombia.



*Utopia project's scholarship students, La Salle University.*

- Social Volunteering

## Construction of homes for vulnerable families

During the year, we held three volunteering sessions with the participation of our Bank's employees in different regions of the country. On this occasion, we offered volunteers the opportunity to take part in the construction of homes for vulnerable families.

This teamwork-based activity was rewarding for those who participated since, in addition to building homes, bonds were created between the volunteers and the participating families.

The construction was carried out by a team of volunteers from the Catalina Muñoz Foundation and the Bank, whose common purpose was to assemble the modules, stressing the role of families and the integration of different realities.

The volunteering sessions took place as follows:

- January 21: Bucaramanga: 19 volunteers per 8 hours of work
- March 11: Cali: 14 volunteers per 10 hours of work
- Total hours of volunteering: 292 hours of work:

## Improving the physical environment of public schools

In November 2017, we took part in an activity in Bogotá organized by the city's Department of Education, in which our Bank volunteers helped out at the José Joaquín Castro Martínez School. Nearly 1,200 students and 73 teachers benefited from this activity, involving around 130 volunteers from the Bank who performed the following activities:

- Painting of walls and beams
- Creation of murals and drawings
- Repair of sports areas
- Date of activity: November 18
- Number of volunteers: 130 per 9 hours of work: 1,170 hours of work:

Social Volunteering Hours  
in **2017: 1,462 hours**



Volunteering journey - José Joaquín Castro Martínez district school, Bogotá.



*Julio Rojas Sarmiento, Digital and Strategy Vice-president.*

## Our Relationship with the Media

With the goal of providing clear and timely information about our endeavor to the public, we continuously develop press and public relations activities that enable us to disseminate our relevant news and events through newspapers, magazines, information websites, and radio and television news programs.

We address media questions and concerns through our Communications Office. As a channel for inquiries, we also have a Newsroom on our website with information released to the media.

Thanks to this effort, in 2017 a total of 2,910 stories were published related to Banco de Bogotá in the local and national media. The information disseminated was intended

to communicate financial results, news about products and services, sponsorship of cultural events, interviews with executives, social responsibility and financial inclusion activities, and other actions.

### Social Networks

Social networks (Facebook and Twitter) have become channels for interacting with our clients and the community. We generate institutional content to post on these sites, and we address concerns and complaints reported by our clients, redirecting them to the proper channels. In 2017, there were 7,863 mentions on the Bank's social media. Of these, 4,505 were during the second semester, and we addressed all client and user comments.



*Volunteer children at Reserva Encenillo reforestation, Bogotá.*

## Our Environmental Management

We are aware that the environmental issue is an urgent challenge that demands concrete action by all members of society. We are aware that climate change poses new global challenges and opportunities in all sectors, including the financial sector, as the driver of a more environmentally sustainable economy.

We are committed to sustainability in our operations and activities, considering the challenges and opportunities in our management. To this end, we have worked on local and international environmental initiatives through the Green Protocol, to align our policies and best practices with those of the financial sector and the Colombian Government. Likewise, considering that climate change is a top priority issue, in 2017 we verified our 2016 carbon footprint in order to understand the Bank's performance and establish offsetting and mitigation measures. We also aim to be eco-efficient to make better use of natural resources and reduce the impacts of our operation.

Through guidelines on the operations that contribute to sustainable development, we are working on implementing analysis and management of the environmental and social risks arising from our clients' operations.

In keeping with our social and environmental responsibility strategy, we have incorporated an environmental protection policy into our code of ethics: "Banco de Bogotá, aware of the need to preserve, protect and conserve the environment, has promoted among its employees practices that help fulfill this purpose through recycling programs, by saving energy, saving water and reducing the use of paper; in so doing, we seek to contribute to improving ecological conditions."

### 1. National and International Initiatives

By participating in national and international initiatives we gain a wider perspective of best practices in environmental matters. For this reason, our efforts are focused on identifying opportunities for improvement that address threats derived from climate change, to develop a new

outlook for business opportunities that contribute to sustainable management.

#### 1.1 Local Initiatives – Green Protocol

The objective is to promote the vision of sustainable development of the Colombian financial system, and position Colombia as the top-performing country in this type of initiative. Currently, two business associations in Colombia, in addition to the financial association, already have the backing of their member companies and their presidents to sign this agreement (Asofiduciarias and Fasecolda).

Our Bank has been a signatory of the Green Protocol since 2013. As part of this commitment, we have promoted the following initiatives within the Bank:

- Promotion and dissemination of good environmental practices among our Stakeholders**

One of the commitments of the Green Protocol is to disseminate good environmental practices; as such, in 2017 we released two monthly newsletters and promoted related campaigns through Facebook, Twitter and intranet.

- Measurement and offsetting of the Carbon Footprint**

The Green Protocol encourages the measurement of Carbon Footprints at financial entities, a process we carry out through the Bank's sustainability report. In 2017, 4,298 tons of CO<sub>2</sub>e corresponding to nine financial entities were offset through the BanCO<sub>2</sub> payment scheme for environmental services.

- Car-Free Day:**

We are aligned with mobility initiatives in Colombia, and we see the Car-Free Day as an opportunity to help improve the environment and contribute to mobility in the city. For this day, we carry out campaigns that encourage the use of environmentally friendly transportation, as well as various activities (valet parking for bicycles, raffles, fairs, meditation, stretching, etc.).

## 1.2 International initiatives

### Dow Jones Sustainability Index

For the third year running we participated in the RobecoSAM corporate sustainability assessment to apply for inclusion in the Dow Jones Sustainability Index, which measures the Bank's performance in three dimensions: environmental, social and economic, comparing them with companies throughout the world.

In 2017, our Bank was included in the MILA Pacific Alliance Dow Jones Sustainability Index, which includes companies with outstanding ratings in the Latin American Integrated Market.

The index selects corporate sustainability leaders in the Pacific Alliance region (Chile, Colombia, Mexico and Peru) based on the companies' total scores in the RobecoSAM Corporate Sustainability Assessment. The index uses the "best in class" approach to select the companies that are in the top 30% of the classified universe.

We continue to understand sustainability as a clear commitment to balancing economic, environmental and social dimensions. Our goal is to monitor the performance of companies with the highest sustainability ratings in the Pacific Alliance region.

This is how our Bank continues to position itself as a benchmark for the financial sector nationwide, generating growth opportunities and rising up through the rankings of Latin America's most sustainable companies.

### Carbon Disclosure Project - CDP

We participated for the third year running in the Carbon Disclosure Project (CDP), recognizing climate change not only as an imminent economic, social and environmental risk for all organizations, but also as an opportunity to be more competitive and sustainable<sup>10</sup>.

Our Bank will continue working on the challenges posed by this emerging business risk, mastering and strengthening the associated processes every day.

10 Banco de Bogotá Results CDP: Score Level Disclosure D



## 2. Climate change management

Climate change poses new global challenges, business opportunities and imminent risks in every sector of the economy. For this reason, our Bank has increased efforts to improve the way we manage natural resources, which contributes to the care and preservation of the environment through the following initiatives:

### 2.1. Greenhouse Gas Inventory (Carbon Footprint verification)

The purpose of the corporate Carbon Footprint measurement is to understand our climate change performance as an organization, and on that basis, propose offsetting and mitigation strategies for the following years. In our quest to improve our environmental management we increased coverage of the measurement, including for 2017 all administrative sites (throughout the country) as well as adding 44 more branches to those covered in 2016, for a total of 223 (total number of branches in the department of Cundinamarca). Therefore, we expanded our coverage to 31% of our infrastructure.

Carbon Footprint - Increase in the Annual Sample.

Total Value	2014	2015	2016	2017
Footprint [CO2 Tons]	1,682.0	2,410.2	3,280.5	In construction

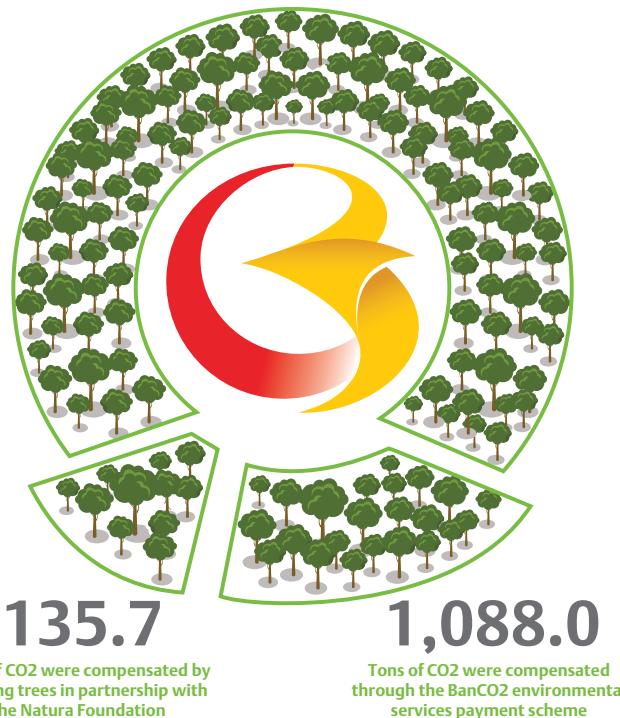
Increase in sample coverage	2014	2015	2016	2017
Administrative venues	9%	13%	14%	100%
Branches	0	0	20%	31%

At present, our main objective is to continue increasing the coverage of the carbon footprint measurement; as such, annual increases for each of the sources will continue to be posted until we achieve 100% coverage of all our branches and sites throughout Colombia. We expect to attain this goal by 2020.

In 2017, we also verified our 2016 Carbon Footprint. The process was led by an external organization, the Colombian Institute of Technical Standards and Certification (ICONTEC, for the Spanish original), and we attained the certification following an interesting learning process in relation to these metrics.

ICONTEC certified the verification of our greenhouse gas inventory for 2016 based on the GHG Corporate Accounting Protocol, with the established organizational limit of 179 branches and three administrative buildings in Bogotá. ICONTEC conducted the verification under the criteria established in the international standard ISO 14064-3.

Footprint Offsetting:



## 2.2. Environmental Volunteering

In the second half of 2017, we held two environmental volunteering sessions in which we planted 640 trees in a number of nature reserves, in order to offset part of our 2016 Carbon Footprint.

<sup>11</sup> The Green Race is a marathon, which has as its ultimate goal the recovery of degraded forests through the planting of 3 trees for each participant of the race. For the 2017 version, we have 6,000 athletes, so the number of trees planted increased to 24,000. This commitment was fulfilled under the ecological conservation strategy, that is, the trees were planted in places that guarantee that each one will be protected in perpetuity and in protected areas by the Foundation.

\* The sample includes: Corporate Services Centers, SME Service Centers, Business Advice Branches, Specialized Housing Centers, Premium Branches, Branches, Basic Branches, Only Clients Branches, Payroll Loan Attention Centers and Experiences Room.

The trees were planted on the same day at two sites: El Silencio Reserve in El Retiro, Antioquia, and at the Encenillo Biological Reserve in Guasca, Cundinamarca, with the participation of over 200 volunteers made up of employees and one companion each. Our Bank has been one of the main sponsors of the Carrera Verde (Green Race)<sup>11</sup> in 2015, 2016 and 2017, alongside Fundación Natura and the United States Embassy in Colombia. Each year we also prepare a work plan for reforestation activities with the involvement of our employees.

**Number of volunteers 205.  
Environmental volunteering  
Number of hours 1,640.**

## 3. Eco-efficiency

At the Bank, we seek to improve our environmental commitment by promoting sustainable and responsible consumption of natural resources and by adopting a business philosophy of eco-efficiency. Consequently, in recent years we have focused on creating indicators on water and energy consumption. This year we obtained a 100% of the required information on consumption nationwide, allowing us to make 2017 our baseline year.

We continue to promote good consumer practices among our employees:

### 3.1. Water Consumption

Our water consumption stands at 4,973,903 lt across 675 branches, which represents 100% of the total sample\* of Bank branches nationwide; and 16 administrative branches representing 76% of the national total.





### 3.2. Energy Consumption

Our energy consumption stands at 34,957,395 kilowatts across 675 branches, which represents 100% of the total sample\* of Bank branches nationwide; and 21 administrative branches representing 100% nationwide.

### 3.3. Paper Saving

#### • Bank Statements

Through the paper mail reduction project for our clients and in order to reduce our consumption of natural resources by making use of technology, we sent our clients bank statements by email, thus avoiding the unnecessary use of paper. In 2017, we sent out 13,090,434 bank statements, saving 30,119,798 sheets of paper.

#### • Pay slips

Similarly, pay slips are sent to all our employees via email. Over the year, we emailed 249,255 pay slips to our employees, saving 83,085 sheets of paper.

Total saving in environmental units from paper-saving projects:





*Fundación Sanar recycling campaign.*

### 3.4. Recycling Campaign

As part of our *Quiero un Planeta Verde* (I Want a Green Planet) campaign, we continued our recycling activities at the Bank's most representative administrative sites in 2017. All these materials are gathered at three of our administrative offices in the city of Bogotá, and are then collected by Fundación Sanar. The sale of these materials funds the treatment of children and adolescents with cancer and helps their families fight the disease.

In 2017, we managed to collect the following quantity of material:

Material	2015 kg	2016 kg	2017 kg
Paper	13,814	12,353	16,323
Carton	10,124	13,265	10,552.4
Electronics	0	0	104
PET	247	561.7	356.6
Plastic	0	35	2.3
Lids	545	470	392
Total donated Kg	24,730	26,690	27,730

In 2017, a total of 27,730 kilos of recyclable material was recovered at the Bank, enabling contributions of COP 11,735,040 to the Sanar Foundation to finance the treatment of eight children with cancer.

### 3.5. Green Payment

Our Green Payment strategy in 2017 allowed companies to avoid issuing physical documents, by assisting them in issuing digital payment coupons for presentation at the Bank's offices. By the end of the year we had managed to save almost three trees; our goal for 2018 is to save 200,000 sheets of paper, equivalent to 16 trees, which we will achieve through initiatives that help the environment and allow us to become a more digital bank.

Currently, we have 37 companies from different economic segments participating in this service. Through the Green Payment strategy one of our Bank's additional aims is to attract new transactions with commissions and in turn increase deposits into the accounts of our business clients, thereby reducing environmental impacts and making life easier for users by enabling payments with digital coupons.

## 4. Environmental and Social Risk Management Analysis

In 2017, eight loans were evaluated based on social and environmental criteria, of which 100% were ultimately disbursed. The total value of these loans was COP 29,328 million.

These loans include technology reconversion projects, installation of solar panel systems, process optimization, reduction of energy consumption and development of urban infrastructure projects.



*Volunteer children at Reserva Encenillo reforestation, Bogotá.*



Jaime Cuartas Acevedo, *La Esquina de Jaime's* owner. Microenterprise Banking Client.

# Yes we can!

For many Colombians, starting and building a business is the only option for making a living. They are tireless fighters who every day try to get ahead and ensure the well-being of their families.

The storekeeper, the baker, the grocer; lots of people have their own businesses and are constantly looking for financing to expand or stock their stores, bakeries, supermarkets. Many resort to loans disbursed on the informal market, either because it is easier or because they are not aware of the alternatives. But at present financial institutions have specialized portfolios and special benefits available for these clients.

In this context and based on its commitment to promoting banking inclusion in the country, Banco de Bogotá has a specialized service model for clients in this segment that provides adequate access to the financial system. In 2017, the Bank disbursed over 1,700 microloans worth nearly COP 7,000 million in rural areas of Antioquia, Quindío, Huila and Tolima, through the implementation and development of product analysis and approval methodologies focused on knowledge of agricultural activities.

To serve this segment, the Bank has a team of advisors specialized in microfinance methods, all of whom are local to the areas where they work. The Bank's experience with these clients has been so positive that three of them have volunteered to tell us about their relationship with us:

## **Camilo Gallego, food retailer**

"For the last ten years, I have been involved in the sale of vegetables, grains, fruits and other common household foods. Looking to improve my business, I wanted to get a loan, and an advisor from Banco

de Bogotá told me about the benefits of asking for one at a low interest rate. Thank God, the loan has allowed me to invest in my business and make a profit; I can also pay the installments without any problems. The Bank has given us the opportunity to get ahead."

## **Manuel Rodrigo Rodríguez Tavera, butcher**

"I have been selling meat products for a decade, but I did not have a business of my own, so I asked for a loan from Banco de Bogotá and five years ago I opened my own store. Now I plan to continue with more livestock-related business, so I am looking for another loan with the financial institution."

## **Jaime Cuartas Acevedo, retailer - owner of La Esquina de Jaime:**

"25 years ago I bought a store and started a business selling beverages; however, after 14 years I decided to concentrate on the sale of prepared meals. For this, I needed to expand my business and applied for a loan from the Bank, which I used to buy ovens, stoves and other appliances. I got the loan after a Banco de Bogotá advisor offered me the financing benefits to make my project a reality. Since then, I have been doing very well and I have been able to provide for my family. Thanks to this business I have two professional daughters and two sons in college."

*"In 2017, Banco de Bogotá disbursed over 1,700 microcredits worth close to COP 7,000 million in rural areas."*