Guide to Elaboration from reports ASG for Issuers In colombia

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Developed by:

With the support of:
The GRI is an independent organization that helps companies around the world to understand their impact on critical sustainability issues like climate change, human rights, governance and social well-being. Its mission is to empower companies so that they generate sustainable value and are accountable and transparent for every business decision.

The GRI Standards for the Sustainability Reporting Process are developed through a multi-stakeholder process that considers the public interest.

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References
At the time of writing this foreword, more than 100 countries have implemented measures to try to contain the deadly effects of a pandemic global. While necessary, these measures are having a huge impact on the ability of companies to continue operating and as a consequence, also impact the social and economic well-being of the people who work for these companies or depend on them.

The pandemic has revealed the interconnected of our societies, as well as the failures and inequities. He has also put in focus the behavior of the company: investors, civil society, clients, employees two ... all stakeholders have their look at the way companies Dams are responding to this crisis. Yes well we’ll finally get out of the pandemic and we will begin the difficult task of recons to build our economies, the lessons that we have learned will bring profound changes two.

Companies that manage to find a balance between economic affairs, environmental and social will emerge stronger and this multifaceted approach will become in the "new normal" for behavior business.

Sustainability reports are the me-canismo for companies to explain their management and performance in the face of economic, social and environmental factors that they generate. Reports help anticipate risks and opportunities and ensure that stakeholders, including investors, better understand business management. The GRI Standards for the preparation of Sustainability Reports are the language common world to inform the economic, environmental and social commitment. To the adopt a multi-actor approach structure-In the GRI framework, companies can evaluate and manage its impacts, positive or negative, providing investors and analysts a complete picture of the information they need to make decisions informed investment.

As the pandemic has shown, surrender accounts has become a necessity of bussiness. Transparency using GRI Standards allow generating trust, essential to stabilize markets and allow business continuity. In consequently, legislation and regulations that are being enacted around the world are increasingly focused on requiring full transparency on eco-economic, environmental and social. I congratulate the commitment and effort of the Stock Exchange of Colombia for providing guidance to companies to achieve greater and better reporting, disclosure and transparency. This guide will help companies to improve their businesses at the same time that contribute to a better world.

Tim Mohin
Executive Director, GRI

Consequently, in vis-à-vis corpora moving from the While in the past specific niche of on sustainability of financial perficition of the future Investors are inte responsibly under more sustainable associated ESG t

The corporate performance information vo regarding sustainability issues such as the use of natural resources, covenants on human rights, practices work, and ethical conduct has become a crucial element for the analysis of the management quality of a company, since it allows you to identify your risk exposure and assess your capabilities to take advantage of new opportunities.

Information on performance and ESG management .

Despite this growing trend of report, studies suggest that business seers tend to overestimate their success as a communicating your sustainability performance with investors .: while a third of the interviewed businessmen consider who have been successful in quantifying and communicating on sustainability reporting two. More than an opportunity, the reports sustainability every day become a need or an expected minimum .

In response to this context, we are witnessing a process of institutionalization of corporate sustainability and the sustainability performance report.

During the last decade the volume of regulation regarding sustainability reporting
business. Sustainability risks are also considered as financial risks certain as they affect companies and their ability to continue operating as nera successful in time. Therefore, achieve greater transparency around vision strategic potential negative impact and positive of sustainability issues in the business model and the way in which that risks and opportunities are managed dades ASG is increasingly recognized as a central element to evaluate thoroughly an investment. Consequently, the market is increasingly wanting a genuine commitment to sustainability, as well as more volume and capacity.

For this reason, the adoption of a uniform sustainability reporting ac is crucial as it contributes to a greater market transparency, allowing an- better anticipate risks and better inform internal decision makers and external to the company. The standard rization of the sustainability report responds to the need to ensure that markets are sustainable, transparent and inclusive, and contributes to strengthening relationships and long-term trusts that are vital to the functioning of the markets.

Regulatory instruments exist in the world about sustainability reports in 71 countries.

**ASG report under the TCFD**

The TCFD (Task Force for Climate-related Financial Disclosure) promotes the reporting of information on risks climate-related financial instruments as an input for informed investor decision-making, insur- res, credit institutions and other interest groups, as well as to know the exposure of the financial system to risks associated with the weather. This initiative was created in 2015 by request of the G20 with the aim of avoiding potential negative pacts of climate change on the stability of financial markets.

The purpose of the TCFD is to develop recommendations for the voluntary and consistent disclosure of information about climate-related financial risks. These recom- dations are applicable to organizations in all sectors. companies and industries and seek to help companies understand the information that the financial market needs to take decisions regarding the risks of climate change. The ini- ciativa motivates companies to align their reports with the information needs of investors within the annual financial report.

For the TCFD, the disclosure of financial information related to Nothing with the weather allows greater access to useful data than improve the way in which data are evaluated, valued and managed climate risks, focusing on how climate impacts the company. The recommendations are focused on companies to more effectively evaluate and measure their own risks through information that in turn contributes help investors, insurers and investment organizations make better-informed decisions about short, medium-
no and long term.

The TCFD reporting recommendations are complementary to the GRI Standards and used in conjunction with contribute to better inform the decisions of the financial sector. The GRI Standards have a broader scope, covering from holistically the 3 elements of corporate sustainability goes through its thematic series Economic, Environmental and Social. On the other hand, the TCFD recommendations allow broadening expand the information related exclusively to the issues of climate change that have an impact on performance financial of an organization. The companies for which the Climate Change is a material issue they should implement TCFD disclosure recommendations to complete
Mention your GRI sustainability report.

For more inform:

WHY INFO| SUST| REPORT AS COMPLEMENT TO THE DIALOGUE

Sustainability reports allow
publicly inform all investors
existing and prospects on the management and performance of an organization. When performs adequately reporting information quality helps to generate a dialogue deeper and more efficient with the community investor ensuring that they have the relevant information to make decisions short, medium and long term, while

https://translate.googleusercontent.com/translate_f
The main benefits derived from the report of sustainability for organizations are the following:

1. INTERNAL

**Alignment of the Vision and Strategy**

Companies can better direct the future of the organization if they include within their purpose, mission and vision the sustainability approach already that ensures a business model more in line with global context and market trends. The sustainability report motivates companies to evaluate and if necessary update your vision, strategy and business plans to ensure that it responds the global environment of sustainable development, and that Sustainability is embedded throughout the organization.

**Sustainability**

Sustainability reports are a tool to the different information requirements and allows the company to respond in a single site, mission and vision the sustainability approach already framed in management and improvement systems continuous: measure to improve. Allows you to monitor the performance in environmental, social, economic physicians and corporate governance to know the progress against the objectives set, providing an annual comparison basis that promotes and motivates continuous improvement resulting in improved management of the company.

**Management of Risks and Continuity of Business**

The measurement and reporting process allows companies to dams know and understand sustainability issues priority for evaluation and management more appropriate risk and ensure continuity of long-term business. The sustainability reports allow to identify early warnings of issues emerging that help manage and anticipate risks in a more comprehensive and timely manner to establish action plans and opportunities for improvement.

**Increase in Fatigue Reduction**

Publish robust and comprehensive reports with information about sustainability and emphasizing in the information that is really relevant to easier for investors and other groups of interest to find the information they need and allows the company to respond in a single report to the different information requirements of sustainability you receive.

2. EXT

**Higher Profitability and Growth**

The reporting process allows identifying opportunities for cost reduction, operational science, tap into new markets and income opportunities, drive innovation, differentiation and competitiveness in the market that it is reflected in better financial performance. In-Research shows that management companies with a long-term sustainability approach term perform better financially than those that do not have it.

**Increase in Motivation of the Human talent**

Involve employees in efforts to sustainability and communicate to them the commitments, management forces and results through sustainability reporting contributes to the attraction and retention of the best talent, increases productivity, inspiration, and reduces absenteeism through a more motivated workforce.

**Reduction in fatig**

Disseminate the commitment to its adherence to ethical and sustainability performance trust and loyalty of consumers consequently increase your purs and the generation of more business opportunities, drive innovation, operational science, tap into new markets and income opportunities, drive innovation, differentiation and competitiveness in the market that it is reflected in better financial performance.
Corporate sustainability and ESG Performance

WHAT IS ASG?

ASG refers to Environmental, Social and Government matters Corporate that can affect the capacity of a company to execute your business strategy and generate value in the long term. ESG aspects are sometimes referred to as factors “Non-financial” since they are generally not incorporated in systematic way in traditional financial analysis, despite to have significant financial implications.

ESG performance of organizations

Involves interest against the

sustainability can have on the business. The adverse environmental or climatic events, social crises, economic instability and Ethical and corruption scandals are translated many times in insurance premiums, prices of inflated inputs, physical costs associated with retailers, legal sanctions, reputational risks, among others that generate risks for success and business continuity, and may affect cash flows and financial returns.

ESG matters refer to those topics that represent risk factors for the ability to a company's ability to implement its strategy and generate value. As the investors understand how the operations of the business are affected by ESG factors the range of information considered relevant expands.

It is important to differentiate between ESG matters and impact on sustainable development: it's different inform about ESG issues that affect the business and be transparent about the impacts that the business has on sustainability issues ability. According to the GRI, “impact” is the effect that an organization has on the economy, the environment and / or society, which in turn You can indicate your contribution (positive or negative) to sustainable development. Integrate the approach to broader sustainability in the management and performance appraisal of a company is to manage the world’s most pressing challenges such as inequality, job creation and economic growth, education, change climate and biodiversity, among others.

Managing these challenges contributes to a prosperous and more stable markets strong and resilient that benefit everyone. No there is no organization or investments that can be prosperous in a world that is not, and in Consequently, investors should know about what way the externalities that the organizations contributions in which they invest are contributing do to cause or alleviate influence prosperity financial This opens up a spectrum of analysis of broader and more comprehensive investments by including additional variables to analyze risk and relationship of an investment:

Three investments with the same Risk-Return profile

TO B C

ORNO

RET

+ ESG RISK

The impact on the

BUSINESS IMPACT ON THE SDGS


MATTERS IMPACT
ASG IN BUSINESS

This approach considers more broadly the positive impacts and negatives generated by the business, seeking to maximize the opportunities communities and reduce risks to people and the environment throughout operations and value chains, and through the development of products, services, processes and business models that help advance the SDGs. Consequently, in addition to material information ASG companies decide to report on other topics that are also material due to the relevance they have due to the impact they generate on the environment.

The GRI Standards require organizations to report on the economic, environmental and social impacts caused by its activities, identifying the link between strategy and operation business and its sustainability performance. The GRI promotes preparation of sustainability reports with an SDG focus on the which the most significant impacts and contributions are identified voices of the organization on sustainable development and disseminate information on how the company understands and incorporates for the SDGs in its strategy, as well as the impacts, activities and results and their relationship with the business model and performance financial.

There are different tools to guide organizations on how to include the SDGs within your sustainability reports. Re. We recommend consulting them for a better incorporation of this focus on reporting:

1. SDG Compass (The SDG Compass)
2. Integrating the SDGs into corporate reports: a practical guide
3. Needs of investors in the business report of con-
   contribution to the SDGs
4. Linking the SDGs and the GRI Standards

THE O SUSTA
The

The 17 Sustainab

ty Objectives of the United Nations were adopted by the Gene

United in September 2015 2030 focusing on people, the pl
give and peace with the motto o

objectives were built through a multi-stakeholder that involved

around the world and that in tur

involvement of all stakeholders

For more inform
http://sustainable

The sustainability
Corporate
in the market
of capital
In colombia

In 2019, the Colombian market
The Colombian Stock Exchange (bvc) has been working actively for more than seven years in search of a reliable and eligible market for issuers, based on best disclosure practices and focused on environmental, social and governance aspects (ESG) of corporate governance (ASG). The Colombian market has been recognized in the context of Latin America and the world.

bvc has developed, over the years, a more attractive market for investment in financial results and sustainability information. This stimulates greater proactivity of the listed companies vis-à-vis their different stakeholders, increasing the attractiveness of the Colombian capital market among foreign and local investors.

IR recognition

Seeking to position Colombia as an international benchmark in disclosure matters of information, bvc has promoted within the issuers listed in the Colombian market the adoption of best practices in terms of information disclosure and investor relations. To this end, it created the IR Recognition in 2013, which encourages issuers of manner voluntarily present complete and detailed information in Spanish and English about their management of corporate governance, financial results and sustainability information. This stimulates a greater proactivity of the listed companies vis-à-vis their different stakeholders, increasing the attractiveness of the Colombian capital market among foreign and local investors.

The general information disclosure requirements (English and Spanish)
The GRI Standards for the Preparation of Reports of Sustainability

The GRI Standards are comprised of a set of interrelated modular standards that can be used by any type of organization to report its economic, environmental, and social impacts. These standards are built to reference other widely recognized sustainability frameworks in ways to inform the performance of organizations in front of different codes and guidelines such as the OECD Guidelines for Multinational Enterprises, the Principles of the United Nations Global Compact and the Principles of the United Nations on Business and Human Rights. The GRI Standards are developed in accordance with due process and all meetings are recorded and available on the GRI website.

The GRI Standards are a free public good and are carried out through a transparent and multi-stakeholder process position of the Global Sustainability Standards Board (GSSB), a body created by the GRI but which operates independently in the development of the Standards through a consensus process. The role of the GSSB is to ensure that the GRI Standards are developed under the public interest, through a process transparent and independent, with multiple stakeholder groups. The GRI Standards are developed to align with the latest and best practices for reporting on sustainability issues.

These Standards are periodically updated to reflect changes and meetings are recorded and available on the GRI website.

IR Recognition

bvc has started a process of incorporation ASG in the IR Recognition to incorporate Non-Corporate Environmental and Social Aspects. This incorporation seeks to provide issuers with better disclosure of ESG criteria in their performance on climate change and society.

In September 2019 bvc joined the commitment to promote climate change within the investment market participants. In this way, issuers in the Colombian market have increasingly relevant disclosure.
The GRI Standards are the most used for the elaboration of sustainability reports in the world. The preparation of sustainability reports under GRI Standards to provide gives a complete and balanced picture of the themes of sustainability by focusing on material or priority issues priorities for each organization when considering expectations and reasonable interests of its stakeholders, the context in which it operates and the impacts that the organization generates and hence their positive and negative contributions to development sustainable.

The panorama of the Reports Corporate

Different actors with different roles. The process starts with the development of reporting standards and frameworks, which are used by reporting companies to disclose information on its sustainability performance. Such information is added by third parties that provide it to analysts and ratings. Finally the information is used by the end users of the data, the investors to make decisions.

Here is the global corporate report

<table>
<thead>
<tr>
<th>Standards and Report Frames</th>
<th>Organizations Reporters</th>
<th>Aggregators Data</th>
<th>Analysts and Ratings</th>
<th>Users of the data (investors)</th>
</tr>
</thead>
</table>

Global, Integral approach

Global, Environmental approach

Integration approach

Focus environmental integration

The Corporate Reporting Dials promote greater coherence, con standards and related requirem creators of reporting standards: corporate reports.
to. Principles to define the report content 17

The GRI defines four Content Principles that help companies organizations to define what content to include in the report. This implies taking into account the activities, strategies, and impacts that generates the organization, as well as the expectations and interests of interest groups.

Inclusion of Groups of Interest

Stakeholders are all the actors that are affected by significantly affected by the activities, products or services of the organization or that may affect the capacity of the organization to implement its strategies and achieve its objectives. Organizations previously held accountable exclusively to shareholders, however, the evolution in the concept of corporate sustainability has led to recognize the relevance of other stakeholders such as employees, suppliers, local communities, civil society, among others. In addition to investors, organizations take into account the other priority stakeholders as it allows them to better identify market trends and anticipate risks and opportunities in the context, as it provides a broader view by considering different perspectives. The GRI promotes relationships with stakeholders and requires the organization to take into account your expectations and reasonable interests to define the content of the report.

Sustainability Context

Companies must present information on their performance sustainability report in context. This means that for be able to present how an organization impacts negatively and positively social, environmental and economic issues factors, including the financial performance of the organization, information should be framed in the broader context of sustainability. This involves examining your performance in the framework of the context of the limits and demands imposed by natural, economic and social resources at the sectoral, local level, regional or global. To do this, you must take into account the context geographical location of its operations, market trends, of the economic sector to which it belongs, of the requirements regulation, environmental, economic and social objectives global cias, among others.

Definition of Materiality 18

Organizations generally face numerous challenges organizations generally face numerous issues sustainability as they generate different risks and impacts environmental, economic and social, which create challenges for both the organization as well as the environment. To define what are the most relevant issues that should be prioritized to report to the stakeholders, organizations should analyze what issues reflect the greatest sustainability impacts and influence stakeholder decisions vis-à-vis the organization.

Materiality plays a fundamental role in ensuring that the data reported is really relevant, and accordingly sequence a company’s report is never exactly equal to another. The results of the materiality analysis are individual since it depends on the particularities of each organization: its size, legal form, place and context of operation, nature of its activities, among others.

The GRI Standards (GRI 102-47) require organizations report the list of material topics and the process of defining materiality taking into account both reasonable interests of its stakeholders and the information they require to make decisions in front of the organization, such as the impacts generated by the organization directly through its own operations or indirectly along its value chain.

The economic, social and environmental impacts are those that the company generates in its stakeholders and its environment, including your own performance. It is different to report on ESG issues that affect the business and be transparent about the impacts the business has on sustainability issues. That is why the impacts can be seen from two ways:

* How this issue impacts social well-being and the environment: the effect what an organization has on the economy, the environment and / or the society, which in turn can indicate its contribution (positive or negative) to sustainable development.

* In what way does this material issue impact the company’s ability to generating value: issues that represent risk factors for the ability to ability of a company to implement its strategy and generate value because lead to insurance premiums, inflated input prices, physical costs associated with disasters, legal sanctions, reputational risks, among others that create risks to the success and continuity of the business, and can affect cash flows and financial returns.


International sustainability of issues relevant to

1. Th
2. Th
3. Its
4. Its
5. Yu
b. Principles to define the quality of the report

Reporting using the GRI Standards allows the generation of standardized information and homogeneous. However, the GRI Standards define six Quality Principles that seek to guide organizations on the information and data to include in the report in a way that guarantees the quality of the information, including its correct presentation. This is of vital importance as it allows stakeholders to make assessments solid and reasonable about the performance of an organization and thus make decisions really informed. Quality information contributes to generating greater trust by part of the interest groups, this is why even the smallest companies must try to follow these principles by taking a pragmatic approach when necessary.

Completeness

Organizations may be generating sustainability impacts directly through its own operation, or indirectly mind as a result of its commercial relationships with other entities throughout their value chain. Therefore, it is expected organizations not only disclose information about the impacts that generate but also those that contribute to generate. The report must account for the scope and coverage of the topics materials in a way that reflects the economic impacts, more significant direct and indirect environmental and social description of where they occur: the activities, processes or areas internal that may be involved in generating the impact.

Likewise, companies must report the activities that generate have a minimal impact in the short term but have an effect significant and predictable cumulative. These estimates should be well-founded in the report in that they provide information useful for decision making.

Clarity

Sustainability information understandable and access all relevant information fit but avoiding excessive an jargon or content that is of interest should be able to with relative ease and it for your analysis consider sibility such as capability whichever format is most

Comparability

The information reported a way that allows stakeholder that occur in the performa period to another, as well For this, consistency in m and the sustainability data tionally support the comp to avoid omitting or hiding information or performance aspects and economic, social and economic impacts significant environmental factors influencing or informing assessments or decisions of stakeholders as it can contribute to generate an environment of mistrust.

c. Contents of the GRI standards

The GRI Standards are made up of a modular set of individual standards: three universal standards that apply.
to all reporting organizations and thematic standards divided into economic, environmental and social series whose use it depends on the materiality analysis of the organization.

CONTENTS

UNIVERSAL

GRI 101: Fundamentals

It is the starting point for reporting under the Standards GRI. They present the Content and Quality Principles for reporting, the requirements for to prepare reports in accordance with the Standards GRI and the way in which the Standards should be referenced dares in the reports.

GRI 102: General information

This standard determines the general information of the text of an organization and its elaboration practices of sustainability reports. The organization must carry information about your profile and business strategy, ethics and integrity practices, governance structure, stakeholder participation and information on the elaboration of the report.

GRI 103: Management Approach

Determines the background information about the way in which the organization manages a material issue. No is reported independently but jointly with each topic identified as material in a way that the organization can explain why the issue is relevant, where impacts occur and how they are managed tions the issue for the organization.

CONTENTS

THEMES

200 series Economic Issues

The economic contents are relat in which an organization perfor economic and contributes to gen mine local and national. This in opportunities derived from cliacquisition and fight against co

300 series Environmental is:

Environmental contents are rela that the organization manages tl liza in the development of your negativ in the environment. T dam to have constant access to premium you need for your ope for long-term business continut

400 series Social topics:

Social content is related to the \ that the organization manages it of interest, such as employees, municipalities, the public and tl related to the management of h labor, access and quality of pro and the protection of customer j of your data.

3.4

Responsible investment and Sustainable

What is sustainable investment?

Investor encourage that they your ES and dev more si

https://translate.googleusercontent.com/translate_f
the risks and opportunities of sustainability in making decisions and investment management. It's about an investment approach that explicitly recognizes the relevance value of sustainability performance for investors due to its effect on the generation of value in organizations and long-term market stability.

Currently, it has been recognized that the fiduciary duty of investors to act in the best interest of their beneficiaries includes incorporating ESG issues into the investment decision making due to financial impact that have. Environmental aspects such as climate change, scarcity of water resources, degradation of soil and biodiversity loss have implications on the operational performance of companies, on their distortion markets and affect economic performance of organizations.

In recent decades, investment regulation respon-sable around the world has increased significantly, especially since the financial crisis of 2008. This push regulatory has been driven not only by concern against the stability and prosperity of the market, but also for the recognition that the financial sector plays a fundamental role in achieving global objectives versus environmental challenges and social problems.

The Principles of Responsible Investment -PRI- propose different strategies to incorporate investment criteria responsible and sustainable.

**INCORPORATION OF ASG AFFAIRS:**

**Integration**
Include ESG criteria explicitly and systematically in the analyzes investment decisions and analysis to better manage risks and improve returns.

**Screening or 'filtering' of investments**
It covers the exclusion of funds or portfolios of certain two sectors or companies that generate impacts and risks significant in sustainability, and the "positive selection" of investments in sectors, companies or projects with a positive sustainability commitment. Both approaches should be based on minimum standards of good business practices and the preferences, values and ethics of the investors.

**Thematic investment in sustainability**
Investments in specifically related topics or assets with sustainability issues and agency compliance the SDG (clean energy, sustainable agriculture, generation of economic opportunities for vulnerable populations, etc).

**The Investment Principles Responsible -PRI-**

E ntrepreneurial initiative committed to responsible investment.
It was created in 2006 with the support of the United Nations to contribute to the understanding of the implications of ESG matters in investments, and encourage and support the confirmation of an international network of signatories committed to incorporating these factors in your investment decisions.

Currently the PRI has more than 1,400 signatories in more than 50 countries that have more than 59 trillion dollars in assets. The PRI acts in the long-term interest of its signatories, the financial markets and the economies in which they operate to contribute to an economically efficient and financial system truly sustainable that allows the creation long-term value and benefit the environment and society as a whole.

**The evolution of the PRI in numbers**
The 6 Principles for Responsible Investment are a set of quality investment principles voluntary and aspirational nature on possible actions for the incorporation of ESG matters in investment practice. These principles were developed by investors to invest in nists and seek to contribute to the development of a more sustainable global financial system.

Principle 1
Incorporate ESG issues into analysis and decision processes decision-making regarding investments

Principle 2
Be pioneers in incorporating ESG issues into practices and property policies

Principle 3
Seek transparent disclosure of ESG issuer by part of the entities in which it is invested

Principle 4
Promote the acceptance and application of the Principles in the investment sector

Principle 5
Work together to improve the effectiveness of the application of the principles

Principle 6
Report activity and progress in the application of the 6 Beginning.

For more information, consult the PRI website https://www.unpri.org/

Recommendations for the preparation of reports that respond to the information needs of investors:

What are investors looking for in a report?

About the Message and Approach
• Each organization understands and defines sustainability by way of differently depending on its own nature and its contribution to sustainable development, which is why it is essential that report reflects how the organization understands the sustainability and unify the messages around it.
• The head of the organization is the one who must define the message the organization sends to investors, as well as to other critical stakeholders to avoid lack of feedback. Inheritance. Consistency must be ensured in the message that is sends to all stakeholders and by all means of divulgation.
• The report should reflect an integrated approach to sustainability organization and not just isolated actions. For it The information reported must demonstrate the link between the sustainability issues and the organization's strategy.

About Content
• The report should support your arguments about its impacts and contributions to sustainability with data and information create and verifiable
• The report must clearly reflect the sustainability risks for business continuity
• The report should explain how the organization has determined the materiality threshold, describing the criteria criteria and the process by which the issues were identified organization materials
• Reports should not only include performance information short-term, but also information that allows the evaluation medium- and long-term assessment of the maturity and capacity of the organization to manage risks and seize opportunities sustainability, including scenario analysis. The re- flexions on short-term achievements are more significant if they relate to progress toward long-term goals.

About the information to be rep
• Investors are interested in norma be able to apply their models provide raw and normalized supplement quantitative data in those data.
• When selecting the indicators to It helps investors to make de

E sustainability in investors led to understand each fir and value more the sustainability of the companies receiving investments. In this context, the information on sustainability of quality has become an element crucial that guides your decision investment and therefore has in the demand for information for accurate, comparable and verifi

When sustainability reports of companies are very narrative experiential do not provide data...
About the Strategy
• The report should reflect the sustainability trends of the market and in what way these trends affect positively or negatively the company's ability to achieve its objectives.
• The organization must clearly and concisely explain its understanding of management approaches to material issues, that is, the way in which the approach to those issues, and the policies and practices for managing them.
• The report must include the objectives set for each topic and to what extent the company did or did not achieve them.
• In the event of significant changes in strategies and business models of the companies, the changes in the materiality of the organization and in what way these changes have impacted the sustainability strategy.

About Format
• Use the correct dissemination channels so that investors receive relevant, easily accessible and timely information. Zionists receive relevant, easily accessible and timely information about us for them. It may be relevant to use different channels of communication to ensure that the needs are met. Information interests and particular interests of each group of interest. These channels depend on the regulatory context and what it requires in terms of ESG reporting, as well as the communications strategy of each company.
• Consider equal time intervals for the elaboration of the sustainability reports and ESG information according to better serve investors (eg, annually, semi-annually, quarterly, etc) and that the publication of these is in a determined time each year, so that investors can easily track them.

WHAT FORMAT TO USE FOR REPORT TO INVESTORS?

Investors today expect reports to be more personalized and responsive, put to your information requirements. Companies must determine what is the frequency, format and appropriate channels to report relevant information to The investors. A company may need to communicate information when it is has produced a major incident or controversy and therefore it is not helpful to wait until the next reporting cycle to do so. That is why it may be useful to resort to more than a communication channel to disseminate sustainability information so that the information is more accessible and timely for investors.

There are different formats for the disclosure of sustainability information. The Sta-GRI standards allow any type of disclosure on sustainability that defines the company as long as they meet the minimum requirements established in the "Standard GRI 101: Fundamentals ", either through a sustainability report, an annual report management, independent documents published in various locations and formats.

- Report Sustainability
  They are reports that are made generally annually and address the material issues of sustainability broadly to communicate about the management and performance to all groups of relevant interest to the organization.

- Report newspaper to investors
  They are reports on performance financial with information on matters ESG Relevant to Investors. Generally more once a year to report periodically the performance of the organization.

- Annual Reports Management
  Some companies decide to include in a single annual management report both your financial results as your sustainability results.

There are advantages and disadvantages to each type of report and each issuer must consider individually which format best meets your own needs and capabilities and the requirements of its investors. However, regardless of the ele-
the company to report on sustainability should take into account some general practices:

• If sustainability disclosure is made independent of
Investors need to count on sustainability performance training the entity issuing the bond and by therefore this guide is relevant too for issuers of fixed income. The report sustainability information is a way for issuers to show you to the market the integration of sustainability in company management and disclose data that is useful for evaluate their performance. However, it is possible that the materiality of the investments fixed income Zionists is different since your interest is specifically focused in ESG matters that may affect the probability of the issuer of paying the tereses or reimburse the capital, while that for equity investors is more focused on sustainability factors ability that may affect the value of the company and its ability to generate value in the medium and long term.

Transparency on the management and The issuer's commitment not only benefits investors because it guarantees a greater transparency in the market, but also to issuers by improving their reputation which is essential to generate trust za on the integrity of the bond and attract more investors. Regarding disclosure standards of information specifically against green and sustainable bonds of the Association International Capital Market (ICMA for its acronym in English), the focus is on reporting on the use of resources and with respect to the possible impacts tives on the environment, society and the SDGs. It is important to strike a balance between the two types of information that mites demonstrate the correct use of resources aimed entirely at environmental projects such and social in the context of how it has been contributed to the transformation towards a future more sustainable. This is suggested in the ICMA guidelines, however we recommend review the guidelines that the Superintendency Colombia's Financial Company establish in the regulation of Green Bonds in the country.

The publication of the ICMA Green Bond Principles in 2014 sought respond to the transparency and clarity requirements in the market that seek to provide issuers with the important elements to listing on the green bond market:

**Principle 1. Use of Funds**

The funds must be totally directed towards green or social projects, then, that is, those that address key environmental issues such as change climate and the use of natural resources through energy projects renewables, energy efficiency, pollution reduction, sustainable management of natural resources, among others.

**Principle 2. Evaluation Process and Project Selection**

Issuers must be transparent in the process followed to determine how the projects fit into the Green Projects category and related eligibility criteria. Issuers are encouraged to disclose Use this information in the context of the overall objectives, strategies, and organization sustainability policies.

**Principle 3. Management of the Funds**

The net funds obtained from the Bond must be managed through a subaccount or sub-portfolio that allows its use to be appropriately controlled for activities directly related to a Green Project. It is recognized Please use third party to verify internal monitoring method and the allocation of the Bond funds.

**Principle 4. Report**

Issuers must publicly report information on the use of the funds until full allocation of resources or more frequently in the event of a relevant event. The organization shall disclose information about the projects to which you have allocated funds from the bond, the amounts allocated, the description of the projects and their expected impact and reached.
The Colombian market has the following types of bonuses of Sustainability:

**Green Bonds:**
The resources are destined to project coughs that have a positive impact with the environment.

**Social Bonuses:**
The resources are destined to project cough with socioeconomic outcomes positive in target populations.

**Sustainable Bonds:**
Projects that are chosen are combined bles as green and social.

Benefits of Making a Sustainable Emission in the Public Stock Market:

**Capital Market Benefits**

- Optimization of the financial structure company closure.
- Diversification in sources of finance financing
- Improved management and governance corporate

**Fixed Income Benefits**

- Reduction of the cost of debt
- Recomposition of liabilities existing
- Obtaining resources from longer terms
- Bargaining power with entities

**Additional benefits of Sustainable Bonds**

- Growth and diversification of the base of investors by attracting investors with sustainable strategies that seek assets with climatic, environmental impacts such and social.
- Reputational benefits and increase of investor confidence, offering creating transparency and certainty about the use of resources.
- Obtain a potential profit in the ta-sas of these emissions
- They contribute to the goals that the country has in be a low carbon economy

Success Stories in the Capital Market Colombian:

**Green Bonds:**
Destination of resources

These issues financed sustainable construction projects, cleaner production, energy efficiency, genetics, and renewable energies.

Issuers:

- Financial projects
- Amount placed

Green Bond Holders

<table>
<thead>
<tr>
<th>Amount placed</th>
<th>Placement rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension fund</td>
<td>Bancoldex: Fixed rate 7.10%</td>
</tr>
<tr>
<td>Financial services</td>
<td>Bancolombia: CPI + 2.6%</td>
</tr>
<tr>
<td>Real Sector</td>
<td></td>
</tr>
<tr>
<td>Insurance carrier</td>
<td></td>
</tr>
<tr>
<td>SCB</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td></td>
</tr>
<tr>
<td>Collective Portfolios</td>
<td></td>
</tr>
</tbody>
</table>

Rate Comparison

- Average rate of ordinary bonds-rivers of the market in 2017 to a 5-year term with a fixed rate of 7.10% EA
- Average rate of bonds on-market dinars in 2018 for a term of 3 years with a rate indexed to the CPI CPI + 2.83% EA

Destination of resources

Projects were financed that transition to a more sustainable. Management-related issues may include waste, wasteland conservation, and forests, infrastructure for potable, and mass transport.

Sustainable Bond

- 8% twenty%
- 9%
- 10%
- 19%
- 12%
- 10%
- 5%
- Others

References

- Different paths lead to sustainable investing (2019) Fiona Reynolds, PRI.
- Different paths lead to sustainable investing (2019) Fiona Reynolds, PRI.

 destinations

Collections

- 10% 12%
- 10% 19%
- 10% 12%
- 5% 8%
Available at https://www.environmentfinance.com/content/analytics/diff-measures-paths-to-sustainable-investing.html

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Ough, PRI. Available at https://www.unpri.org/prg/building-analytics-to-judge-most-important-than-data-1034.article


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