

SECOND PARTY OPINION

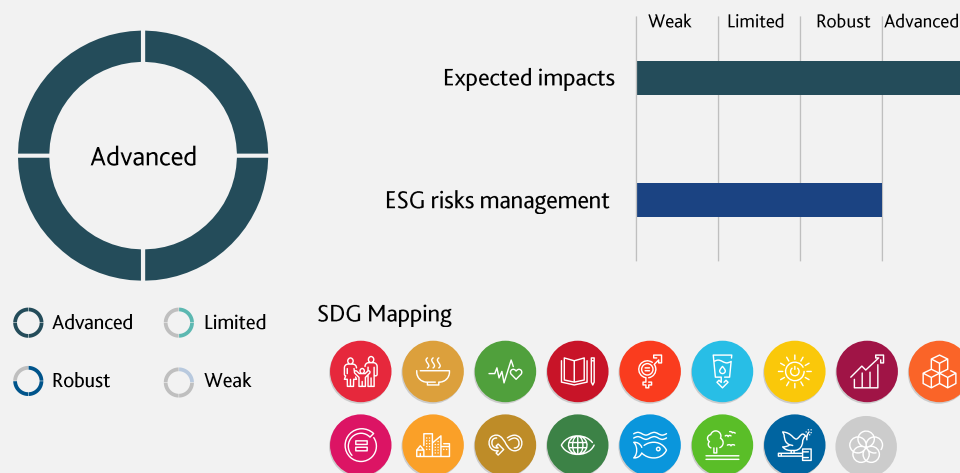
on the sustainability of the Republic of Colombia's Sovereign Green, Social and Sustainable Bond Framework

Moody's ESG Solutions considers that the Republic of Colombia's Sovereign Green, Social and Sovereign Bond Framework is aligned with the four core components of the ICMA's Green Bond Principles 2021 ("GBP") (with June 2022 Appendix 1) and the Social Bond Principles 2021 ("SBP") (with June 2022 Appendix 1) ("GBP" & "SBP").



Framework

Contribution to Sustainability:

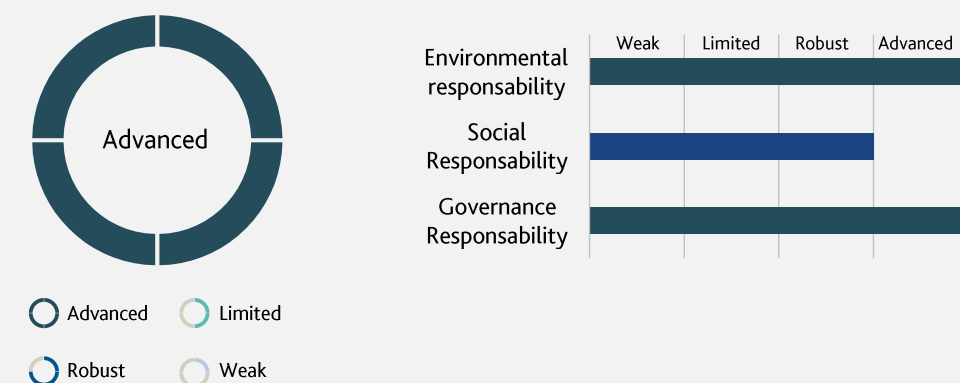


Characteristics of the Framework

Eligible Categories	⇒ 8 Green Categories ⇒ 8 Social Categories
Project Location	Republic of Colombia
Target Population	Determined for each social category
Existence of Framework	Yes
Share of Refinancing	To be communicated before each issuance
Look-back Period	Less than 24 months

Issuer

ESG Performance as of June 2022



Coherence

Coherent
Partially coherent
Not coherent

Moody's ESG Solutions considers that the Republic of Colombia's Sovereign Bond Framework is coherent with Colombia's strategic sustainability priorities and sector issues and that it contributes to achieving the Issuer's sustainability commitments.

This is a English translation of the original Spanish language version of this Second Party Opinion. In the event of any conflict or inconsistency between the English language text and the original Spanish language text, the original Spanish language text shall prevail.

Key findings

Moody's ESG Solutions considers that the Republic of Colombia's Sovereign Bond Framework is aligned with the four core components of the GBP and SBP.

Use of Proceeds - Aligned with the GBP and SBP and best practices identified by Moody's ESG Solutions

- The Eligible Categories are clearly defined and detailed. Under the term of these categories, the Issuer has identified a Portfolio of Eligible Expenditures to be financed in the inaugural issuance. The Issuer has provided information on the nature, eligibility criteria and location of Eligible Projects for all categories, as well as the target population for Social Categories of the expenditures. The Portfolio is considered in line with the definitions of green and social projects described in the ICMA's Green and Social Bonds Principles.
- The Environmental and Social Objectives are clearly defined, relevant and set in coherence with sustainability objectives defined in international standards for all Eligible Categories.
- The Expected Environmental and Social Benefits are clear, precise, relevant and measurable, and will be quantified by the Issuer in the post-issuance reports.
- The Issuer has committed to transparently publicly the estimated percentage of refinancing¹ prior to each Bond issuance. The look-back period for refinanced Eligible Categories will not exceed 24 months prior to the issue date, in line with the best market practices.

Process of Evaluation and Selection - Aligned with the GBP and SBP and best practices identified by Moody's ESG Solutions

- The Evaluation and Selection Process for Eligible Green and Social Expenditures is clearly defined and detailed, it is considered well-structured in all its stages (including the proposal, selection, validation and monitoring of Eligible Categories). Roles and responsibilities are clearly defined and include relevant internal experts. The process is publicly disclosed in the Framework and in this Second Party Opinion.
- The eligibility criteria (selection and exclusion) have been clearly defined by the Issuer for all Eligible Categories.
- The process used to identify and mitigate potential material Environmental and Social risks related to Eligible Green and Social Expenditures Projects has been publicly disclosed in the Framework and this Second Party Opinion. The process is considered robust, it considers monitoring, identification and corrective measures for all Eligible Green and Social Categories (see detailed analysis on pages 41 - 45).

Management of Proceeds - Aligned with the GBP, SBP and best practices identified by Moody's ESG Solutions

- The Process for the association and management of funds is clearly defined and detailed and has been publicly disclosed in the Framework.
- The period of total association of funds will be in the same or the following budget period.
- The net income of the Bonds will be deposited in the National Single Account (CUN for its acronym in Spanish) and these will be monitored by the Issuer in an appropriate manner with a formalized internal process.
- Information on the types of temporary instruments for unassociation funds has been publicly disclosed in the Framework. The Directorate of Public Credit and National Treasury will manage the unassociation funds according to the Treasury policies.
- The Issuer has committed that, during the useful life of the Bond, the balance of the tracked net funds will be periodically adjusted to match the association to the Eligible Expenditures incurred during that period.
- The Issuer has provided information on the applicable procedures in the event of divestment or postponement of Eligible Expenditures and has committed to reassociate the funds to Expenditures that meet the criteria established in the Framework in less than 24 months.

¹ Refinancing is considered the association of Eligible Expenditures that have been executed in previous budgetary periods.

Reporting - Aligned with the GBP and SBP

- The Issuer is committed to report annually, until the full association of the Bond funds and in case of material changes. The report will be publicly available on the Issuer's website until the Bond matures.
- Reports will include relevant information on the association of funds and environmental benefits at the Eligible Category level and at Project level where feasible. The Issuer has also agreed to report on material developments and eventual ESG controversies related to Eligible Expenditures.
- The methodology and assumptions used to report on environmental benefits will be publicly disclosed in the Bond reports.
- An external auditor will verify the association of funds to Eligible Expenditures until the full association of funds and in case of material changes. The environmental benefits of Eligible Expenditures will be verified internally.

Contact

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SCOPE

Moody's ESG Solutions was commissioned to provide an independent Second Party Opinion ("SPO") on the sustainability credentials and management of the Green and Social Bonds² (the "Bonds") to be issued by the Republic of Colombia (the "Issuer") in compliance with the Green, Social, and Sustainable Sovereign Bond Framework (the "Framework") created to govern their issuance(s).

Our opinion is established according to Moody's ESG Solutions' Environmental, Social and Governance ("ESG") exclusive assessment methodology and to the latest version of the voluntary guidelines of ICMA's Green Bond Principles ("GBP") - edited in June 2021 (with Appendix I, June 2022) - and Social Bond Principles ("SBP") - edited in June 2021 (with Appendix I, June 2022), referred together as the "GBP & SBP".

Our opinion is built on the review of the following components:

- Framework: We have assessed the contribution to the sustainability of the Portfolio of Eligible Categories (the "Portfolio") presented on July 19, 2022 and its alignment with the GBP and SBP, as well as their consistency with the Issuer's strategy in terms of sustainability.

The Issuer has agreed to request the update of this SPO in the event of any significant change³ in the Eligible Categories Portfolio and/or Framework to confirm its alignment with the GBP and SBP.

- Issuer: we assessed the Issuer's ESG performance in terms of sustainable development (*Sovereign Sustainability Rating* ©).

Our sources of information are multichannel, combining data (i) gathered from public sources, press content providers and stakeholders, (ii) from Moody's ESG Solutions' exclusive ESG rating database, and (iii) information provided from the Issuer, through documents and interviews conducted with the Issuer's managers and stakeholders involved in the Bonds issuance, held via a telecommunications system.

Our opinion and work has been carried out in good faith. Moody's ESG Solutions has not performed any audit, site visit, inspection, nor other tests to establish the accuracy of the information provided by the Issuer. The Issuer is solely responsible for the correctness of the information it has provided and its compliance with, and implementation of, its commitments.

We carried out our due diligence assessment from July 5, 2022 to August 5, 2022. We consider that we were provided access to all documents and interviewees we solicited. For this purpose, we made reasonable efforts to verify the accuracy of all data used as part of the assessment.

Type of External Reviews supporting this Framework

<input checked="" type="checkbox"/>	Pre-issuance Second Party Opinion	<input type="checkbox"/>	Independent verification of impact reporting
<input checked="" type="checkbox"/>	Independent verification of funds allocation	<input type="checkbox"/>	Climate Bonds Initiative Certification

² The "Green, Social and Sustainable Bond" is to be considered as the bond to be potentially issued, subject to the discretion of the Issuer. The name "Green, Social and Sustainable Sovereign Bond Framework" has been decided by the Issuer: it does not imply any opinion from Moody's ESG Solutions.

³ Significant change in the Portfolio is considered, the financing of Eligible Categories that have not been evaluated in this review or projects that are of a different nature than the projects evaluated in the current Portfolio.

COHERENCE

Coherent
Partially coherent
Not coherent

We consider that the contemplated Framework is coherent with the Republic of Colombia's strategic sustainability priorities and sector issues and that it contributes to achieving the Issuer's sustainability commitments.

In 2015, the United Nations Member States adopted the 2030 Agenda for Sustainable Development with the 17 Sustainable Development Goals (SDGs), recognising the urgent challenge of achieving sustainable development, including combating climate change. Reaching these goals requires the transition of all economic sectors towards sustainable development models, and the immediate action of all public and private actors. In particular, national governments must mobilise to achieve Sustainable Development Goals through regional and global leadership, the integration of sustainability in policies, budgets, institutions and regulatory frameworks, and by working with all stakeholders.

National governments must lead climate action, care for the environment and, at the same time, take actions to reduce inequality through the establishment of national policies and action plans that guarantee sustainable inclusive growth and socioeconomic development.

The Government of Colombia defined the goals to guarantee compliance with the SDGs with 16 major commitments defined within the CONPES 3918 of 2018 document.⁴ Likewise, it has made a significant effort to align its most important regulatory instrument for public policy planning, the National Development Plan (PND for its acronym in Spanish), with the SDGs and the tracer goals. Colombia also monitors compliance with the SDGs through the Voluntary National Reports and promotes local governments to adopt similar policies.

Colombia is committed to growth and sustainable development, including medium and long-term goals, such as the Paris Agreement and the 51% reduction in GHG emissions by 2030 set forth in the NDC and the 2030 Agenda. These goals have motivated the country's leadership in international agendas for poverty reduction, access to basic and essential services, gender equality, biodiversity, the fight against climate change and disaster risk management, among others, recognizing also as pillars of sustainable growth the physical, human and natural capital of the country.

Given that adaptation and mitigation to climate change is considered a cross-cutting policy, Colombia has developed agreements to achieve compliance with the emission reduction goals proposed in the framework of the Paris Agreement, ratified by Law 1844 of 2017, and which is included in the 2020.⁵ Nationally Determined Contribution update. The Government of Colombia established, through Decree 298 of 2016, the National Climate Change System (SISCLIMA) and the formulation of the National Climate Change Policy, which respond to the need to have articulating guidelines, including actions and strategies aimed at sustainable and low-carbon development.⁶

Additionally, Law 1931 of 2018 provides the guidelines for the management of climate change in public and private decisions and establishes the Intersectoral Commission on Climate Change (CICC), under SISCLIMA,⁷ as the body in charge of inter-institutional coordination for the implementation of the National Climate Change Policy. Under the CICC, the sectoral coordination process for the reduction of Greenhouse Gas (GHG) emissions is led for compliance with the Nationally Determined Contributions (NDC)⁸ and the strategic lines that promote mitigation, among which reduction of emissions caused by deforestation, energy efficiency and electric mobility is mentioned. This Law provides that the ministries that are part of SISCLIMA, as well as the departmental authorities, must formulate and implement Comprehensive Sectoral Climate Change Management Plans (PIGCCS for its acronym in Spanish) through which the incorporation of GHG mitigation and adaptation measures is managed to climate change in the policies and regulations of the respective sector. These plans must include guidelines for the implementation of sectoral GHG adaptation and mitigation measures at the territorial level and their respective guidelines on their financing.

⁴ The Republic of Colombia (2018) Strategy for the implementation of the SDGs in Colombia.

<https://colaboracion.dnp.gov.co/CDT/Conpes/Economicos/3918.pdf>

⁵ <https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Colombia%20First/NDC%20actualizada%20de%20Colombia.pdf>

⁶ Adaptation to Climate Change (PNACC), the National Strategy for the Reduction of Emissions due to Deforestation and Forest Degradation (ENREDD+), the National Plan for disaster risk management, the Strategy for financial protection against disasters and the National Strategy for Climate Financing.

⁷ SISCLIMA is established by Decree 289 of 2016 and is the set of state, private and non-profit entities, which compiles policies, standards, processes, resources, plans, strategies, instruments and mechanisms to coordinate reduction actions and measures. of GHG emissions and also contribute to the adaptation of climate change.

⁸ Nationally Determined Contributions. It refers to the set of commitments defined by each country to reduce its greenhouse gas emissions in a specific magnitude and period. They are presented to the United Nations Framework Convention on Climate Change as the country's contribution to the global mitigation commitment, within the framework of the Paris Agreement.

On the other hand, given the special relevance of SDG 1: End of Poverty, the Equity Roundtable was created as a high-level, strategic and decision-making body whose objective is to establish guidelines for the reduction of poverty and the reduction of other inequities that limit the social and productive inclusion of the population. The Table brings together eleven government entities, including the National Planning Department (DNP for its acronym in Spanish) and the Administrative Department for Social Prosperity (DPS for its acronym in Spanish), which jointly and permanently exercise the Technical Secretariat.⁹

With the creation of Colombia's Sovereign Green, Social and Sustainable Bonds Framework for the financing and refinancing of Eligible Green and Social Expenditures, Colombia responds in a coherent manner to its national commitments and goals mentioned above, and addresses the main challenges in terms of sustainable development of governments worldwide. In addition, part of Colombia's commitments is the ratification through the main international conventions aimed at the protection and promotion of the fundamental rights and freedoms of people, such as the Universal Declaration of Human Rights¹⁰, the International Convention on Rights of the Child¹¹, International Covenant on Economic, Social and Cultural Rights¹², Convention on the Rights of Persons with Disabilities¹³, International Labor Organization (ILO) Convention 169¹⁴, International Labor Organization (ILO) Convention 189¹⁵, the Convention on the Prohibition of the Worst Forms of Child Labor¹⁶, the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW¹⁷), the Beijing Declaration¹⁸ and Platform for Action and has adopted the Pact for Safe Migration neat and regular.¹⁹ Likewise, it has aligned migration policy with the main objectives of the Global Compact on Refugees.²⁰

⁹ The operation of the Table is regulated by Decree 1111 of 2020.

¹⁰ UN General Assembly (1948). Universal Declaration of Human Rights (217 [III] A). Paris. <https://www.un.org/es/about-us/universal-declaration-of-human-rights>

¹¹ Republic of Colombia (1991). LAW 12 OF 1991 (January 22) "By means of which the Convention on the Rights of the Child adopted by the United Nations General Assembly on November 20, 1989 is approved." https://www.oas.org/dil/esp/convencion_internacional_de_los_liberties_of_the_child_colombia.pdf

¹² Republic of Colombia (1968). Law No. 74 of 1968 which approves the "International Covenants on Economic, Social and Cultural Rights, Civil and Political Rights, as well as the Optional Protocol of the latter, approved by the General Assembly of the United Nations in unanimous vote, in New York, on December 16, 1966 <https://www.refworld.org/es/type,LEGISLATION,,57f79429313,0.html>

¹³ Republic of Colombia (2009) Law 1346 of 2009 through which the "Convention on the Rights of Persons with Disabilities" is approved http://www.secretariasenado.gov.co/senado/basedoc/ley_1346_2009.html

¹⁴ Convention adopted in 1989 on Indigenous and Tribal Peoples of Independent Countries, which is based on the right to equal rights between peoples and the rest of the population and respect for their culture and institutions. It is the result of the revision and updating of Convention 107 of 1957, which constitutes the only international instrument that protects these peoples.

¹⁵ Convention ratified by Colombia in 2014 on the specific protection of domestic workers. It sets out basic rights and principles, and requires States to take a number of measures to make decent work a reality for domestic workers.

¹⁶ Republic of Colombia (2000) Law 704 of 2000 "adopting Convention 182 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour" <https://www.suin-juriscol.gov.co/viewDocument.asp?ruta=Leyes/1666699>

¹⁷ UN General Assembly (1979). Convention on the elimination of all forms of discrimination against women. https://www.ohchr.org/Documents/ProfessionalInterest/cedaw_SP.pdf

¹⁸ United Nations (1995). Beijing Declaration and Platform for Action. https://www.unwomen.org/sites/default/files/Headquarters/Attachments/Sections/CSW/BPA_S_Final_WEB.pdf

¹⁹ United Nations (2018). Global Compact for Safe, Orderly and Regular Migration: <https://www.ohchr.org/es/migration/global-compact-safe-orderly-and-regular-migration-gcm#:~:text=El%20Pacto%20World%20for%20one,in%20%20hol%C3%ADstic%20and%20complete form.>

²⁰ United Nations (2018). Global Compact on Refugees. https://www.acnur.org/5c782d124#_ga=2.114383808.633678464.1654113217-16077986.1654113217

ISSUANCE

The Republic of Colombia has described the main characteristics of Green Bonds, Social Bonds and Sustainable Bonds within Colombia's Sovereign Green, Social and Sustainable Bonds Framework, covering the four main components of GBP 2021 (with its Appendix I June 2022) and SBP 2021 (with its Appendix I June 2022) (the latest updated version was provided to Moody's ESG Solutions on 19 July 2022). The Issuer has undertaken to make this document public on its website²¹, in line with good market practices. In addition, Moody's ESG Solutions has had access to the Eligible Expenses Portfolio (the latest updated version was provided to Moody's ESG Solutions on July 19, 2022).

Alignment with the Green and Social Bond Principles

Use of Proceeds



The net proceeds of the Bonds will exclusively finance or refinance, in part or in full, projects falling under eight Green and eight Social Project Categories ("Eligible Categories"), as indicated in Table 1.

- The Eligible Categories are clearly defined and detailed. Under the term of these categories, the Issuer has identified a Portfolio of Eligible Expenditures to be financed in the inaugural issuance. The Issuer has provided information on the nature, eligibility criteria and location of Eligible Projects for all categories, as well as the target population for Social Categories of the expenditures. The Portfolio is considered in line with the definitions of green and social projects described in the ICMA's Green and Social Bonds Principles.
- The Environmental and Social Objectives are clearly defined, relevant and set in coherence with sustainability objectives defined in international standards for all Eligible Categories.
- The Expected Environmental and Social Benefits are clear, precise, relevant and measurable, and will be quantified by the Issuer in the post-issuance reports.
- The Issuer has committed to transparently publicly the estimated percentage of refinancing²² prior to each Bond before each issuance. The look-back period for refinanced Eligible Categories will not exceed 24 months prior to the issue date, in line with the best market practices.

As communicated by the Issuer, the definitions of the green categories will be aligned with the Green Taxonomy of Colombia and the thresholds established therein, to the extent that they are applicable.

BEST PRACTICES

- ⇒ The definition and eligibility criteria (selection and exclusion) are clear and in line with international standards for all Eligible Categories.
- ⇒ The environmental and social benefits have been identified and will be measured for all the Eligible Portfolio.
- ⇒ The Issuer has committed to transparently communicate on the share of refinancing before each issuance.
- ⇒ In case of refinancing, the look back period will be equal to or less than 24 months, in line with market best practices.

²¹ <https://www.irc.gov.co/webcenter/portal/IRCEs>

²² Refinancing is considered the allocation of Eligible Expenditures that have been executed in previous budgetary periods.

Table 1. Our analysis of Eligible Categories, Sustainability Objectives and Expected Benefits as presented in the Issuer's Framework.

- Nature of expenditures: Investments in tangible assets (land, infrastructures, etc.), investments in intangible assets (research and innovation, human and organizational capital), projects and programs (stock and individual), operational expenses (mainly for public agencies, institutes, units, corporations or local governments that contribute towards the environmental and climate goals of the country or the design of guidelines and social public policies), transfers to co-finance regional or local eligible investment projects, debt services for sovereign green, social and/or sustainable bonds, any expense that can be used to implement the Environmental and Climate Policy of Colombia, as well as any expense that can be used to advance the Social Policy of Colombia.
- Location of Eligible Projects: Republic of Colombia.

COLOMBIA'S GREEN, SOCIAL AND SUSTAINABLE SOVEREIGN BOND FRAMEWORK			ELEGIBLE PORTFOLIO	
ELEGIBLE GREEN CATEGORIES	DESCRIPTION	SUSTAINABLE GOALS AND BENEFITS	DESCRIPTION OF PORTFOLIO PROJECTS	MOODY'S ESG SOLUTIONS ANALYSIS
Non-conventional energy sources, energy efficiency and connectivity ²³	<p>This category seeks to finance projects related to:</p> <ul style="list-style-type: none"> - Generation, improvement and access to non-conventional energy sources (solar photovoltaic, concentrated solar, wind, hydroelectric, oceanic, geothermal, biomass, biofuels and biogas, among others). - Energy efficiency or connectivity. - Policies, laws and research for the energy transition. - Transmission of energy from non-conventional sources. - Energy storage. - Purchase of renewable energy. 	<p><u>Climate change mitigation</u></p> <p>Reduction of GHG emissions</p> <p><u>Energy efficiency</u></p> <p>Energy savings</p>	<p>The Portfolio of projects chosen for this issuance includes expenditures related to:</p> <ul style="list-style-type: none"> - Promotion of non-conventional (renewable) energy sources in rural areas of Colombia. These projects include a feasibility study²⁴ and installation of solar panels in non-interconnected areas. <p>The projects are led by the Institute for Planning and Promotion of Energy Solutions and the Ministry of Mines and Energy.</p>	<p>The Eligible Category has been broadly defined in the Framework. However, the Issuer has communicated the exact list of Eligible Expenditures to be financed with the Bond, including their nature and location. Moody's ESG Solutions confirms that the expenses in this Eligible Category are in line with the ICMA definitions of green projects.</p> <p>The environmental objectives have been clearly defined, these are considered relevant and consistent with the sustainability objectives defined in international standards.</p> <p>The expected environmental benefits are clear, they are considered relevant, measurable and will be quantified in the reports of the Bonds.</p>
Ecosystem services and biodiversity	<p>This category seeks to finance projects related to:</p> <ul style="list-style-type: none"> - Reforestation, control of deforestation and forest governance. - Protection, conservation and sustainable use of biodiversity and ecosystem services. 	<p><u>Conservation of terrestrial ecosystems</u></p> <p>Promote the protection of</p>	<p>The Portfolio of projects chosen for this issuance includes expenditures related to:</p> <ul style="list-style-type: none"> - Programs to strengthen institutional management in Colombian institutions relevant to environmental analysis and biodiversity protection, such as the Ministry of Environment and Sustainable Development, 	<p>The Eligible Category has been broadly defined in the Framework. However, the Issuer has communicated the exact list of Eligible Expenditures to be financed with the Bond, including their nature and location. Moody's ESG Solutions confirms that the expenses in this Eligible</p>

²³ According to the Green Taxonomy of Colombia, for Non-Interconnected Zones (ZNI), the generation of electricity must respond to a combination of sources (including non-conventional renewables), which ensures the continuity and reliability of the service in different climatic scenarios and reduce potential environmental damage. <https://www.taxonmiaverde.gov.co/webcenter/portal/TaxonomiaVerde>

²⁴ In case the study identifies that the installation of solar panels is not feasible or efficient, other technologies can be used, including hybrid technologies. For this project, the installation of energy sources using fossil fuels will not be financed through green bonds.

	<ul style="list-style-type: none"> - Management of the protection and conservation of natural resources. - Management of ecosystems associated with the provision of water resources. - Research and capacity building for the management of ecosystem services and biodiversity. - Biological pest control. - Satellite analysis systems, aerial monitoring and control systems and alert protocols. <p>Improve the regulatory framework and forest governance to strengthen the business environment.</p>	<p>aquatic and terrestrial ecosystems for the preservation of biodiversity.</p> <p>Promote practices of sustainable forest management.</p>	<p>the National Environmental License Authority (ANLA for its acronym in Spanish), National Natural Parks²⁵ (PNN for its acronym in Spanish), and the Colombian Environmental Information System (SIAC), among others.</p> <ul style="list-style-type: none"> - Promotion of scientific research, and knowledge and information production related to terrestrial and aquatic biodiversity in Colombia. - Institutional strengthening for the implementation of the REDD+ program in Colombia. <p>The entities responsible for these projects are the Ministry of Environment and Sustainable Development, ANLA (for its acronym in Spanish), and National Natural Parks.</p>	<p>Category are in line with the ICMA definitions of green projects.</p> <p>The environmental objectives have been clearly defined, these are considered relevant and consistent with the sustainability objectives defined in international standards.</p> <p>The expected environmental benefits are clear, they are considered relevant, measurable and will be quantified in the reports of the Bonds.</p>
Sustainable Agricultural Production, with low emissions and adapted to climate change	<p>This category seeks to finance projects related to:</p> <ul style="list-style-type: none"> - Silvopastoral systems. - Agroforestry systems. - Other low-emissions primary production activities. - Protection against climate risks. - Agroclimatic information and early warning systems. - Reforestation for commercial uses or soil restoration. - Sustainable agricultural production focused on the protection of ecosystems, biodiversity and water resources. - Sustainable or low-impact agriculture. - Fertilizer management. - Organic or green fertilizers (use of vegetable covers). 	<p><u>Conservation of terrestrial ecosystems</u></p> <p>Promote the protection of terrestrial ecosystems.</p> <p><u>Efficient use of resources</u></p> <p>Promote the efficient use of natural resources for agriculture.</p> <p><u>Climate change adaptation</u></p> <p>Promote agricultural practices to increase</p>	<p>The Portfolio of projects chosen for this issuance includes expenditures related to:</p> <ul style="list-style-type: none"> - Generation of technical environmental guidelines, research, satellite monitoring, technical support for the adoption of sustainable agricultural practices.²⁶ - Reforestation promotion. - Strengthen capacities in the agricultural sector in response to phenomena associated with climate change. <p>These projects are headed by the Ministry of Agriculture.</p>	<p>The Eligible Category has been broadly defined in the Framework. However, the Issuer has communicated the exact list of Eligible Expenditures to be financed with the Bond, including their nature and location. Moody's ESG Solutions confirms that the expenses in this Eligible Category are in line with the ICMA definitions of green projects.</p> <p>The environmental objectives have been clearly defined, these are considered relevant and consistent with the sustainability objectives defined in international standards.</p> <p>The expected environmental benefits are clear, they are considered relevant, measurable and will be quantified in the reports of the Bonds.</p>

²⁵ Part of the project related to natural parks, includes the promotion of ecotourism in natural parks and the financing of light infrastructure in trails, viewpoints, among others. Lightweight infrastructure is defined as modular, easily armable and removable, built with non-toxic materials, with low energy consumption and low emission of greenhouse gases, recyclable, reusable or biodegradable.

²⁶ Livestock-related projects focus on working on the conversion of traditional livestock systems to sustainable livestock, including silvopastoral systems, pasture management, rotation of pastures and livestock aqueducts. The Ministry of Agriculture, executor of the projects, will not support traditional livestock using the funds raised with the issuance of the Green Bond.

		resilience to climate change.		
Clean and sustainable transport	<p>This category seeks to finance projects related to:</p> <ul style="list-style-type: none"> - Urban development and mass passenger transport. - Non-motorized mobility. - Infrastructure for the operation of low-carbon transport systems, such as hydrogen service stations, electric charging stations, among others. - Infrastructure for bicycle mobility. - Reconversion of the transport fleet (Scrapping). - Disintegration of high-polluting vehicles. - Infrastructure for the management of low-carbon transport demand (ex., intermodal transfer facilities for low-carbon modes, such as fluvial and rail transport). - Low-carbon emission transport systems. - Freight transport with zero and low emission vehicles, and multimodal transport systems that reduce GHG emissions. - Air quality monitoring networks in mass transportation systems. - Services associated with the purchase, maintenance, recycling and replacement of batteries for vehicles and low-carbon transport infrastructure. - Specialized logistics infrastructures that promote the transfer of intermodal cargo to low-carbon models of transport. - Promotion of national industry research related to zero and low emission mobility. <p>Infrastructure that transports fossil fuels or blended fossil fuels is not eligible.</p>	<p><u>Climate change mitigation</u></p> <p>Reduction of GHG emissions.</p> <p><u>Improved air quality</u></p> <p>Reduction of particulate matter in the air.</p>	<p>The Portfolio of projects chosen for this issuance includes expenditures related to:</p> <ul style="list-style-type: none"> - Section 1 of the Bogotá Metro. - Optimization of the routes of the mass public transport system and rationalization of the bus fleets. - Promotion of the use of gas as fuel in mass transport buses to reduce particulate matter in the air. <p>These projects are headed by the Ministry of Transportation. These projects are co-financed by the Government of Colombia.</p>	<p>The Eligible Category has been broadly defined in the Framework. However, the Issuer has communicated the exact list of Eligible Expenditures to be financed with the Bond, including their nature and location. Moody's ESG Solutions confirms that the expenses in this Eligible Category are in line with the ICMA definitions of green projects.</p> <p>The environmental objectives have been clearly defined, these are considered relevant and consistent with the sustainability objectives defined in international standards.</p> <p>The expected environmental benefits are clear, they are considered relevant, measurable and will be quantified in the reports of the Bonds.</p>
Sustainable water management, use and sanitation	<p>This category seeks to finance projects related to:</p> <ul style="list-style-type: none"> - Restoration in strategic areas where basins that supply municipal aqueducts are located. - Management of information for sustainable use, planning and management of water resources. - Construction and maintenance of aqueducts and sewers, and basic and environmental sanitation. The 	<p><u>Conservation and sustainable use of water resources and adaption to climate change</u></p> <p>Promote sustainable water management</p>	<p>The Portfolio of projects chosen for this issuance includes expenditures related to:</p>	<p>The Eligible Category has been broadly defined in the Framework. However, the Issuer has communicated the exact list of Eligible Expenditures to be financed with the Bond, including their nature and location. Moody's ESG Solutions confirms that the expenses in this Eligible Category are in line with the ICMA definitions of green projects.</p>

	<p>new aqueducts system must be aligned with the current Water and Basic Sanitation Regulation.</p> <ul style="list-style-type: none"> - Water resource monitoring network systems in quality and quantity. - Establishment of wastewater treatment plants. - Network systems for monitoring weather conditions and atmospheric phenomena. - Wastewater collection systems, apart from rainwater. - Network systems for monitoring weather conditions and atmospheric phenomena. 	<p>to ensure water supply.</p> <p><u>Pollution control and prevention</u></p> <p>Reduce and prevent the pollution of water resources.</p>	<ul style="list-style-type: none"> - Institutional strengthening for the management of water resources and implementation of the national water policy.²⁷ - Generate data, information and knowledge from hydrological, meteorological and environmental follow-up and monitoring. - Implementation of the Wastewater Treatment Program, to structure a comprehensive system for wastewater treatment. - Access to drinking water and wastewater management in the rural population. <p>These projects are headed by the Institute of Hydrology, Meteorology and Environmental Studies (IDEAM for its acronym in Spanish), the Ministry of Environment and Sustainable Development and the Ministry of Housing, City and Territory.</p>	<p>The environmental objectives have been clearly defined, these are considered relevant and consistent with the sustainability objectives defined in international standards.</p> <p>The expected environmental benefits are clear, they are considered relevant, measurable and will be quantified in the reports of the Bonds.</p>
Sustainable buildings adapted to climate change	<p>This category seeks to promote the reduction of vulnerability to climate change and sustainable construction, in projects related to:</p> <ul style="list-style-type: none"> - Construction and design of new buildings that save energy and minimize CO2 emissions during their life cycle. These criteria are defined in the Sustainable Construction Resolution 0549 of 2015 of the Ministry of Housing, City and Territory²⁸, or the regulation that adds, modifies or replaces it. - Constructions or environmentally sustainable renovations in terms of energy, waste and water (hospitals, schools, buildings, housing, among others) - Constructions or renovations with an adaptation approach. <p>Power generation plants as backup sources in case of failure of the electrical network and micro-cogeneration systems that allow the use of solid waste can be part of the building services.</p>	<p><u>Climate change adaptation</u></p> <p>Increase the resilience of buildings in case of severe weather conditions.</p> <p><u>Sustainable use of resources</u></p> <p>Reduce water and energy consumption, and GHG emissions.</p>	<p>The Portfolio of projects chosen for this issuance does not have projects associated with this category.</p>	<p>The Eligible Category has been broadly defined in the Framework. The Issuer has communicated that there are no Eligible Expenditures associated with this category for this issuance.</p> <p>The environmental objectives have been clearly defined, these are considered relevant and consistent with the sustainability objectives defined in international standards.</p> <p>The expected environmental benefits are clear, they are considered relevant, measurable and will be quantified in the reports of the Bonds.</p>

²⁷ The National Policy for the Integral Management of Water Resources is framed within the concept of Integrated Water Resource Management - IWRM, defined by the Global Water Partnership as "a process that promotes the management and coordinated use of water resources, land and related natural resources, in order to maximize social and economic well-being in an equitable manner without compromising the sustainability of vital ecosystems"

²⁸ For further information: <http://ismd.com.co/wp-content/uploads/2017/03/Resulci%C3%B3n-549-de-2015.pdf>

Waste and circular economy	<p>This category seeks to promote sustainable modes of consumption and production (including waste reduction and recycling), in projects related to:</p> <ul style="list-style-type: none"> - Use, reuse and waste management - Technical systems for the management of national waste information - Separate collection and transport of non-hazardous waste in the fraction segregated at source - Anaerobic digestion of organic waste with capture or use of methane - Organic waste composting - Use of non-hazardous waste material - Capture and use of landfill gas - Artificial capture, transport and storage/use of GHG (Carbon Capture, Use and Storage). 	<p><u>Circular economy promotion, and prevention and control of pollution</u></p> <p>Promote eco-design, recycling, waste reduction and reuse of resources.</p>	<p>The Portfolio of projects chosen for this issuance includes expenditures related to:</p> <ul style="list-style-type: none"> - Comprehensive Solid Waste Management, including solid waste separation programs, use of organic waste (composting) and recycling treatment. 	<p>The Eligible Category has been broadly defined in the Framework. However, the Issuer has communicated the exact list of Eligible Expenditures to be financed with the Bond, including their nature and location. Moody's ESG Solutions confirms that the expenses in this Eligible Category are in line with the ICMA definitions of green projects.</p> <p>The environmental objectives have been clearly defined, these are considered relevant and consistent with the sustainability objectives defined in international standards.</p> <p>The expected environmental benefits are clear, they are considered relevant, measurable and will be quantified in the reports of the Bonds.</p>
Management of disaster risks associated with climate change	<p>This category seeks to finance the knowledge, monitoring and reduction of disaster risks associated with climate variability and climate change, including the development of information systems, in projects related to:</p> <ul style="list-style-type: none"> - Knowledge for the identification and characteristics of the disaster risk (analysis, evaluation and communication). - Monitoring systems to identify and manage disaster risk associated with climate variability and climate change. - Corrective and prospective risk intervention, ecosystem-based disaster risk reduction interventions (Eco-DRR) and financial protection from disasters associated with climate change. 	<p><u>Climate change adaptation</u></p> <p>Increase the resilience against the physical consequences of climate change.</p>	<p>The Portfolio of projects chosen for this issuance includes expenditures related to:</p> <ul style="list-style-type: none"> - Strengthening of the implementation, follow-up and evaluation of the programmatic component of the National Plan for Disaster Risk Management with the actors that make up the National System for Disaster Risk Management (SNGRD for its acronym in Spanish). - Strengthening and updating of the National Information System for Disaster Risk Management of the National System for Disaster Risk Management (SNGRD its acronym in Spanish). - Financial strengthening of the National Policy for Disaster Risk Management in the National Territory. 	<p>The Eligible Category has been broadly defined in the Framework. However, the Issuer has communicated the exact list of Eligible Expenditures to be financed with the Bond, including their nature and location. Moody's ESG Solutions confirms that the expenses in this Eligible Category are in line with the ICMA definitions of green projects.</p> <p>The environmental objectives have been clearly defined, these are considered relevant and consistent with the sustainability objectives defined in international standards.</p> <p>The expected environmental benefits are clear, they are considered relevant, measurable and will be quantified in the reports of the Bonds.</p>
COLOMBIA'S GREEN, SOCIAL AND SUSTAINABLE SOVEREIGN BOND FRAMEWORK		ELEGIBLE PORTFOLIO		

ELEGIBLE SOCIAL CATEGORIES	SOCIAL SUB-CATEGORIES	DESCRIPTION	SUSTAINABLE GOALS AND BENEFITS	DESCRIPTION OF THE PORTFOLIO PROJECTS	MOODY'S ESG SOLUTIONS ANALYSIS
Socioeconomic advancement and reduction of inequalities.	People in vulnerable conditions, especially children, young, adolescents, and elderly people.	<p>This subcategory seeks to finance actions and protection schemes for people in conditions of vulnerability, through basic service subsidies, monetary and in-kind subsidies, actions for comprehensive development of early childhood at the pedagogical, psychosocial and nutritional levels, in projects related to:</p> <ul style="list-style-type: none"> - Support to young people in their technical, technological and/or university education through monetary transfers conditioned on meeting the goals of their training in order to improve opportunities for social mobility and well-being. - Economic incentives conditioned on school attendance and services to children and adolescents aimed at families living in poverty or extreme poverty. - Protection of the elderly through financial subsidies for those who are homeless, do not have a pension or live in extreme poverty. - Care for children in Integral Systems and Traditional Systems (community homes). - Support of adolescents and young people in the strengthening of the skills for the structuring of their life projects. 	<p><u>Comprehensive local development</u></p> <p>Promote the protection, development and economic growth of the vulnerable population.</p>	<p>The Portfolio of projects chosen for this issue includes expenses related to:</p> <ul style="list-style-type: none"> - Support for the development of life projects for adolescents and young people at the national level. - Strengthening of families as agents of transformation and social development at the national level. - Protection of children and adolescents within the framework of the restoration of their rights at the national level. - Support for the integral development of early childhood at the national level. - Contribution to the comprehensive development of girls and boys between 6-13 years of age, within the framework of the recognition, guarantee of their rights and construction of life projects at the national level. - Strengthening supply management to overcome poverty at the national level. - Implementation of the economic subsidy for the elderly population in a situation of vulnerability at the national level. - Implementation of conditional cash transfers for vulnerable population nationwide. - Implementation of unconditional cash transfers for emergency care. 	<p>The Eligible Subcategory has been broadly defined in the Framework. However, the Issuer has communicated to the exact list of Eligible Expenses to be financed with the Bond. Moody's ESG Solutions confirms that the expenses in this Eligible Category are in line with ICMA's definitions of social projects.</p> <p>The social objectives have been clearly defined, these are considered relevant and consistent with the sustainability objectives defined in international standards.</p> <p>The expected social benefits are clear, these are considered relevant, measurable and will be quantified in the Bond reports.</p>

		<ul style="list-style-type: none">- Financial support for families living in poverty and extreme poverty. <p><i>Target population:</i></p> <ul style="list-style-type: none">- People in vulnerable conditions, especially children²⁹, young³⁰, adolescents³¹ and elderly people³² in accordance with the guidelines of each project or social program, which are mostly based on the definition of the Identification System of Potential Beneficiaries of Social Programs (SISBEN for its acronym in Spanish)³³, which includes people who belong to group A, B, or C (up to level 7) in SISBÉN IV, or person who lives in a property located in socioeconomic stratum 1, 2 or 3.³⁴			
Migrants in vulnerable conditions.	<p>This subcategory seeks to finance actions for the vulnerable migrant population, which are aimed at supporting their socioeconomic development, job formalization and social integration in projects related to:</p> <ul style="list-style-type: none">- Incorporation into the labor market and labor protection.- Access to and improvements in the provision of health services, care, and nutritional support.	<p><u>Comprehensive local development</u></p> <p>Promote the protection, development and economic growth of the migrant population in conditions of vulnerability.</p>	The Portfolio of projects chosen for this issuance does not have projects associated with this subcategory.	The Eligible Category has been broadly defined in the Framework. The Issuer has communicated that there are no Eligible Expenditures associated with this category for this issuance.	<p>The social objectives have been clearly defined, these are considered relevant and consistent with the sustainability objectives defined in international standards.</p> <p>The expected social benefits are clear, they are considered relevant, measurable and will be quantified in the reports of the Bonds.</p>

²⁹ Individuals between 0 and 12 years old who are in a situation of vulnerability defined by Law 1098 of 2006: https://www.oas.org/dil/esp/codigo_de_la_infancia_y_la_adolezca_colombia.pdf

³⁰ Individuals between 13 and 18 years of age who are in a situation of vulnerability defined by Law 1098 of 2006: https://www.oas.org/dil/esp/codigo_de_la_infancia_y_la_adolezca_colombia.pdf

³¹ Individuals between 14 and 28 years of age who are in a situation of vulnerability defined by Statutory Law 1885 of 2018: http://secretariasenado.gov.co/senado/basedoc/ley_1885_2018.html

³² Individuals aged 60 or over who are in a situation of vulnerability: <https://www.minsalud.gov.co/proteccionsocial/promocion-social/Paginas/aging-vejez.aspx>

³³ https://www.sisben.gov.co/Paginas/conoce_el_sisben.aspx

³⁴ Six socioeconomic strata have been defined into which dwellings and/or properties can be classified: 1. Low-low; 2. Low; 3. Medium-low; 4. Medium; 5. Medium-high; 6. High. Of these, strata 1, 2 and 3 correspond to lower strata that house users with fewer resources, who are beneficiaries of subsidies in home public services.

	<ul style="list-style-type: none"> - Access to and improvements in education. - Access to and improvements in decent housing. - Access to basic services. - Access to the financial system (traditional and alternative services). - Assistance and training to facilitate their social integration and regularization of their migratory status. <p><i>Target population:</i></p> <ul style="list-style-type: none"> - Migrants in vulnerable conditions. 			
People with disabilities (PwD)	<p>This subcategory seeks to finance the implementation of measures, actions and strategies that allow the population in conditions of disability to improve their living conditions through better conditions of linkage to society, the educational and work environment, through the development of adapted materials for their condition and training of their relatives and environments and the inclusive attention to the user, in projects related to:</p> <ul style="list-style-type: none"> - Development of tools and trainings for entities, families and environments of people with disabilities. <p><i>Target population:</i></p> <ul style="list-style-type: none"> - People with disabilities³⁵, who have medium to long term physical, mental, intellectual or sensory deficiencies. 	<p><u>Comprehensive local development</u></p> <p>Promote the protection, development and economic growth of people with disabilities</p>	<p>The Portfolio of projects chosen for this issue includes expenses related to:</p> <ul style="list-style-type: none"> - Generation of tools and guidelines to promote the rights of the deaf population at the national level. - Improvement of the conditions to promote the right to education of the deaf population at the national level. - Improvement of the conditions to guarantee the rights of people with visual disabilities in the country. 	<p>The Eligible Subcategory has been broadly defined in the Framework. However, the Issuer has communicated to the exact list of Eligible Expenses to be financed with the Bond. Moody's ESG Solutions confirms that the expenses in this Eligible Category are in line with ICMA's definitions of social projects.</p> <p>The social objectives have been clearly defined, these are considered relevant and consistent with the sustainability objectives defined in international standards.</p> <p>The expected social benefits are clear, these are considered relevant, measurable and will be quantified in the Bond reports.</p>

³⁵ People with disabilities defined by Law 1618 of 2013: <https://www.funcionpublica.gov.co/eva/gestormativo/norma.php?i=52081>

Ethnic groups	<p>This subcategory seeks to finance support for ethnic groups in their socioeconomic development, social integration, and physical and cultural permanence. Including expenses to improve quality of life, access to food, access to health, access to education, land restitution, development of community infrastructure, recognition of rights and strengthening of the political-administrative capacity of communities, in related projects with:</p> <ul style="list-style-type: none"> - Implement food production units for self-consumption, promote productive activities and strengthen community integration through cultural identity projects. - Strengthening of self-government systems and the organizational capacity of indigenous peoples. - Strengthening of community councils and organizational expressions of the NARP communities (black, Afro-Colombian, Raizal and Palenquera communities). <p><i>Target population:</i></p> <ul style="list-style-type: none"> - Ethnic groups³⁶, communities that share a common origin, history, language, and cultural characteristics and/or physical traits. Four ethnic groups are legally recognized in Colombia: Indigenous, Afro-Colombians (includes Afro-descendants, blacks, mulattoes, palenqueros from San Basilio), Raizales from 	<p><u>Comprehensive local development</u></p> <p>Promote the protection, development and economic growth of ethnic groups.</p>	<p>The Portfolio of projects chosen for this issue includes expenses related to:</p> <ul style="list-style-type: none"> - Implementation of a comprehensive intervention for the population with a differential ethnic approach at the national level. - Strengthening of the self-government systems of indigenous peoples and communities at the national level. - Strengthening the organizational capacity of indigenous peoples in the national territory. - Strengthening of the self-government systems of indigenous peoples and communities. - Strengthening of community councils and organizational expressions in rural and urban areas of the NARP community (black, Afro-Colombian, Raizal and Palenquera communities) at the national level. 	<p>The Eligible Subcategory has been broadly defined in the Framework. However, the Issuer has communicated to the exact list of Eligible Expenses to be financed with the Bond. Moody's ESG Solutions confirms that the expenses in this Eligible Category are in line with ICMA's definitions of social projects.</p> <p>The social objectives have been clearly defined, these are considered relevant and consistent with the sustainability objectives defined in international standards.</p> <p>The expected social benefits are clear, these are considered relevant, measurable and will be quantified in the Bond reports.</p>
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³⁶ https://www.dane.gov.co/files/censo2005/etnia/sys/Glosario_etnicos.pdf

	the archipelago of San Andrés and Providencia, and Rrom or gypsy.			
Closing the gender gaps	<p>This subcategory seeks to finance actions and measures aimed at:</p> <ul style="list-style-type: none"> - Promote the employability of women, and access to job opportunities within the formal sector and highly masculinized sectors, seek equal pay and quality work for women. - Promote and strengthen female entrepreneurship, including loans or other financial support to micro, small and medium-sized enterprises (SMEs) that are owned or led by women. - Promote women's access, use, control and ownership of assets, resources, services and technology. - Acknowledge, reward, reduce and redistribute unpaid care tasks. - Prevent, eradicate and sanction any type of violence against women and girls. - Support and assist women and girls in situations of violence. <p><i>Target population:</i></p> <ul style="list-style-type: none"> - Girls³⁷ and women in general or who are in a condition of vulnerability or violence.³⁸ 	<p><u>Gender equality</u></p> <p>Promote the protection of and access to services and opportunities for girls and women.</p> <p><u>Comprehensive local development</u></p> <p>Promote the protection, development and economic growth of women.</p>	<p>The Portfolio of projects chosen for this issue includes expenses related to:</p> <ul style="list-style-type: none"> - Strengthening of care mechanisms for rural and peasant women to overcome gender and socioeconomic gaps at the national level. - Support for initiatives with a gender approach for the full autonomy of women at the national level. 	<p>The Eligible Subcategory has been broadly defined in the Framework. However, the Issuer has communicated to the exact list of Eligible Expenses to be financed with the Bond. Moody's ESG Solutions confirms that the expenses in this Eligible Category are in line with ICMA's definitions of social projects.</p> <p>The social objectives have been clearly defined, these are considered relevant and consistent with the sustainability objectives defined in international standards.</p> <p>The expected social benefits are clear, these are considered relevant, measurable and will be quantified in the Bond reports.</p>

³⁷ People between 0 and 12 years old according to Law 1098 of 2006: https://www.oas.org/dil/esp/codigo_de_la_infancia_y_la_adolezca_colombia.pdf

³⁸ Violence against girls and women defined in Law 1257 of 2008: https://oig.cepal.org/sites/default/files/2008_col_ley1257.pdf

		<ul style="list-style-type: none">- Companies, ventures, SMEs owned or led by women.³⁹			
Education: access, continuity and quality	<p>This category seeks to finance investment projects, programs and expenses aimed at improving access to and the quality of public education at all levels of the educational system (initial education, preschool, basic education (primary and secondary), secondary education (grade and high school), higher education (training for work and human development), such as:</p> <ul style="list-style-type: none">- Subsidies for access to higher education.- Construction, expansion and improvements of headquarters and classrooms of public education centers.- Fostering access to quality education.- Strengthening the conditions for the achievement of educational paths. <p><i>Target population:</i></p> <ul style="list-style-type: none">- The general population, with an emphasis on the vulnerable population.	<p><u>Access to social services</u></p> <p>Increase the number of people with access to education services.</p> <p>Quality improvement of education services.</p>	<p>The Portfolio of projects chosen for this issue includes expenses related to:</p> <ul style="list-style-type: none">- Expansion of mechanisms to promote national higher education.- Construction, improvement and provision of learning spaces to provide educational services and implementation of quality strategies and national coverage.- Promote access to quality higher education through demand incentives in Colombia.- Strengthening of the conditions for the achievement of educational trajectories in initial preschool, basic and national secondary education.- Strengthening of the infrastructure and institutional capacity of National Learning Service (SENA for its acronym in Spanish) at the national level.- Improvement of the National Learning Service (SENA for its acronym in Spanish) vocational training service.	<p>The Eligible Category has been broadly defined in the Framework. However, the Issuer has communicated to the exact list of Eligible Expenses to be financed with the Bond. Moody's ESG Solutions confirms that the expenses in this Eligible Category are in line with ICMA's definitions of social projects.</p> <p>The social objectives have been clearly defined, these are considered relevant and consistent with the sustainability objectives defined in international standards.</p> <p>The expected social benefits are clear, these are considered relevant, measurable and will be quantified in the Bond reports.</p>	
Peace building	<p>This category seeks to finance projects or expenses related to the mitigation of psychosocial damage, care, compensation to the victims of the armed conflict in Colombia at the national level and the actions implemented in the search for non-repetition, such as:</p>	<p><u>Access to social services</u></p> <p>Promote access to assistance and support and development services for victims of the armed conflict.</p>	<p>The Portfolio of projects chosen for this issue includes expenses related to:</p> <ul style="list-style-type: none">- Strengthening of care and guidance channels for victims of the armed conflict at the national level.	<p>The Eligible Category has been broadly defined in the Framework. However, the Issuer has communicated to the exact list of Eligible Expenses to be financed with the Bond. Moody's ESG Solutions confirms that the expenses in this Eligible Category are in line with ICMA's definitions of social projects.</p>	

³⁹ One of these conditions must be met: (i) When more than fifty percent (50%) of the property rights of the legal entity belong to women, (ii) At least 50% of the jobs at the managerial level, (iii) When the natural person is a woman and has carried out commercial activities through a commercial establishment for at least one year, (iv) For associations and cooperatives, when more than fifty percent (50%) of the associates are women and participation has corresponded to them for at least the last year. <https://dapre.presidencia.gov.co/normativa/normativa/DECRETO%201860%20DEL%2024%20DE%20DICIEMBRE%20DE%202021.pdf>

	<ul style="list-style-type: none"> - Projects of assistance, psychosocial rehabilitation, financial and in-kind compensation and strengthening of support channels for victims of the armed conflict. - Projects of return, relocation, restitution of lands dispossessed or forcibly abandoned, search for disappeared persons and/or funeral assistance for victims affected by the armed conflict. - Projects related to actions of social recognition of the victims of the conflict and promotion of coexistence and non-repetition. - Humanitarian care package provided to all victims of forced displacement during the first year (guaranteeing accommodation, food, clothing, search for disappeared persons). <p><i>Target population:</i></p> <ul style="list-style-type: none"> - Victims of the armed conflict in Colombia at the national level. 		<ul style="list-style-type: none"> - Implementation of the processes of returns, relocation and local integration of households and communities victims of forced displacement in Colombia. - Strengthening prevention and assistance measures for the victim population at the national level. - Strengthening of the social recognition of the conflict and the conditions of peaceful coexistence in the territories at the national level. - Contribution to the improvement of the management of the process of protection and restitution of lands and territories dispossessed or forcibly abandoned at the national level. - Implementation of mechanisms for the access of victims to the route of restitution and protection of lands and territories at the national level. - Support for the implementation of assistance and rehabilitation measures for victims of the national armed conflict. - Implementation of a comprehensive intervention aimed at rural households of victims of forced displacement in conditions of vulnerability at the national level. 	<p>The social objectives have been clearly defined, these are considered relevant and consistent with the sustainability objectives defined in international standards.</p> <p>The expected social benefits are clear, these are considered relevant, measurable and will be quantified in the Bond reports.</p>
Employment generation and promotion of productivity, including SMEs.	<p>This category seeks to finance projects aimed at protecting employment and reactivating companies, including SMEs, affected by socioeconomic events such as COVID-19 and the national strike, which show a relevant drop in their income, determined in the national regulation. In addition, projects that contribute to the generation of formal employment, entrepreneurship and labor intermediation for vulnerable people and generation of</p>	<p><u>Comprehensive local development</u></p> <p>Promote the protection, development and economic growth of companies and small and medium-sized companies, as well as the increase of local formal employment.</p>	<p>The Portfolio of projects chosen for this issue includes expenses related to:</p> <ul style="list-style-type: none"> - Implementation of tools for the productive inclusion of the population in a situation of extreme poverty, vulnerability and victims of forced displacement by violence at the national level. - Administration of national labor intermediation. 	<p>The Eligible Category has been broadly defined in the Framework. However, the Issuer has communicated to the exact list of Eligible Expenses to be financed with the Bond. Moody's ESG Solutions confirms that the expenses in this Eligible Category are in line with ICMA's definitions of social projects.</p> <p>The social objectives have been clearly defined, these are considered relevant and consistent with the sustainability objectives defined in international standards.</p>

	<p>entrepreneurship in the target population, such as:</p> <ul style="list-style-type: none"> - Support for companies, including SMEs, affected by temporary socioeconomic events - Support for job creation. - Monetary contribution in order to support and protect formal employment in the country. - Entrepreneurship program for people considered to be in poverty and victims of forced displacement and/or the armed conflict. <p><i>Target population:</i></p> <ul style="list-style-type: none"> - Unemployed, which broadly and flexibly refers to the population of working age who is unemployed, and who are also actively looking for job, at least in the last twelve months, and are available to start work. 	<p><u>Employment generation</u> Increase the generation of formal employment, promote productivity and job retention.</p> <p><u>Financial inclusion</u> Increase access to financing for small and medium-sized enterprises.</p>	<ul style="list-style-type: none"> - Entrepreneurship training service, promotion of entrepreneurship and business strengthening at the national level. - Support for the promotion of employment. - Support program for formal employment. - Support to companies affected by the national strike. 	<p>The expected social benefits are clear, these are considered relevant, measurable and will be quantified in the Bond reports.</p>
Decent and affordable housing	<p>This category seeks to finance the acquisition, construction on its own site, repair, expansion, improvement, refurbishment or lease of social interest housing (SIH) and priority interest housing (PIH) for households whose monthly income is less than an amount determined by the national regulation, such as:</p> <ul style="list-style-type: none"> - Monetary subsidy for the acquisition of social interest housing and priority interest housing benefiting households that do not have their own home. - Rental subsidy. 	<p><u>Access to housing</u> Increase the number of people with access to decent housing and/or improve housing conditions.</p>	<p>The Portfolio of projects chosen for this issue includes expenses related to:</p> <ul style="list-style-type: none"> - Implementation of the conditional coverage program for second-generation housing loans at the national level. - National family housing subsidy. 	<p>The Eligible Category has been broadly defined in the Framework. However, the Issuer has communicated to the exact list of Eligible Expenses to be financed with the Bond. Moody's ESG Solutions confirms that the expenses in this Eligible Category are in line with ICMA's definitions of social projects.</p> <p>The social objectives have been clearly defined, these are considered relevant and consistent with the sustainability objectives defined in international standards.</p> <p>The expected social benefits are clear, these are considered relevant, measurable and will be quantified in the Bond reports.</p>

	<ul style="list-style-type: none"> - Monetary subsidy or implementation of actions for the structural or rental improvement of housing. - Construction of housing in rural area. - Social programs aimed at promoting savings in order to open financial inclusion channels to access decent housing. <p><i>Target population:</i></p> <ul style="list-style-type: none"> - Population in vulnerable conditions. 			
Access to basic services	<p>This category seeks to finance expenses to improve access to affordable basic infrastructure, mainly for households belonging to socioeconomic strata 1, 2, 3, non-interconnected areas, and rural areas. This includes improvement in access, reliability and quality of basic services of (1) treatment and distribution of drinking water, (2) collection and treatment of wastewater, (3) connection of homes to the electricity grid, (4) Construction projects or improvement of urban and rural access roads and the conditions of land, river, and maritime transport, such as:</p> <ul style="list-style-type: none"> - Investments in new or existing drinking water treatment systems and aqueducts that improve access, quality, reliability, capacity and/or efficiency. - Investments in household connections inside homes. - Investment in new or existing sewage and wastewater 	<p><u>Access to social services</u></p> <p>Increase the number of people with access to basic services such as access to drinking water, energy, sanitation, and water treatment services.</p>	<p>The Portfolio of projects chosen for this issuance does not have projects associated with this category.</p>	<p>The Eligible Category has been broadly defined in the Framework. The Issuer has communicated that there are no Eligible Expenditures associated with this category for this issuance.</p> <p>The environmental objectives have been clearly defined, these are considered relevant and consistent with the sustainability objectives defined in international standards.</p> <p>The expected environmental benefits are clear, they are considered relevant, measurable and will be quantified in the reports of the Bonds.</p>

	<p>treatment systems that improve access, quality, efficiency and/or increase the volume of treated wastewater.</p> <ul style="list-style-type: none"> - Technical assistance service to municipalities and territorial entities for the structuring, formulation and execution of plans and projects for drinking water and basic sanitation. - Investments for household connections to the electricity grid. - Investments for the construction or improvement of highways and urban and rural streets. <p><i>Target population:</i></p> <ul style="list-style-type: none"> - Population in general, with emphasis on the vulnerable population and people in strata 1, 2 and 3. 			
Food and nutrition security	<p>This category seeks to finance programs of:</p> <ul style="list-style-type: none"> - School food security for access to a healthy and nutritious food service for students in the public education system (preschool, basic and secondary levels), where there is prioritization of the most vulnerable students, encouraging permanence in education. - Increased food security in vulnerable households through financing of products and inputs for planting (plants, fertilizers, materials) and self-consumption farms with the aim of increasing food production in households 	<p><u>Access to nourishment</u></p> <p>Increase the number of people with access to tools and knowledge for food production and access to nourishment.</p>	<p>The Portfolio of projects chosen for this issue includes expenses related to:</p> <ul style="list-style-type: none"> - Support for the implementation of the school feeding program – Food to Learn National. - Contribution with promotion and prevention actions in the food and nutrition component for the Colombian population at the national level. - Implementation of self-consumption production units for the poor and vulnerable population at the national level. 	<p>The Eligible Category has been broadly defined in the Framework. However, the Issuer has communicated to the exact list of Eligible Expenses to be financed with the Bond. Moody's ESG Solutions confirms that the expenses in this Eligible Category are in line with ICMA's definitions of social projects.</p> <p>The social objectives have been clearly defined, these are considered relevant and consistent with the sustainability objectives defined in international standards.</p> <p>The expected social benefits are clear, these are considered relevant, measurable and will be quantified in the Bond reports.</p>

	<p>and financing of technical assistance activities agriculture for planting, and training for households on issues of food consumption and healthy consumption habits.</p> <ul style="list-style-type: none"> - Nutritional health through financing programs to combat malnutrition and infant mortality and finance actions in food and nutrition education, promotion of healthy lifestyle habits, food supplementation and family strengthening to improve the nutritional status of children with malnutrition and underweight pregnant women. <p>Related expenses such as:</p> <ul style="list-style-type: none"> - Implementation of school feeding programs in order to discourage school dropout. - Implementation of programs aimed at technical assistance and generation of tools around food and nutritional security. - Distribution of nutritional supplements. - Implementation of actions that contribute to the prevention of chronic malnutrition, through the promotion of adequate nutrition and health conditions. <p><i>Target population:</i></p> <ul style="list-style-type: none"> - Students of the public education system, prioritizing students in vulnerable conditions and/or located in rural areas or belonging to an ethnic group. 			
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<p>Effective access and quality in health services.</p>	<p>This category seeks to finance projects or activities related to the construction, operation and/or improvement of public hospitals or public health services that benefit the national population and expenses related to the purchase, distribution and application of biological vaccines and vaccines against COVID -19 of the population in national territory, expenses such as:</p> <ul style="list-style-type: none"> - Financing hospital infrastructure of the State Social Enterprises (ESEs for its acronym in Spanish) (Public hospitals that care for people in a subsidized regime). - Support actions aimed at achieving universal vaccination coverage, in order to reduce mortality and morbidity rates caused by vaccine-preventable diseases and with a strong commitment to eradicate, eliminate and control them. <p><i>Target population:</i></p> <ul style="list-style-type: none"> - Population in general, with emphasis on the vulnerable population, rural areas and ethnic groups. 	<p><u>Access to social services</u></p> <p>Increase the number of people with effective access to healthcare services.</p> <p>Improve the quality of healthcare services.</p>	<p>The Portfolio of projects chosen for this issue includes expenses related to:</p> <ul style="list-style-type: none"> - Implementation of actions of the expanded program of immunizations - PAI Nacional. - Support for health service programs. 	<p>The Eligible Category has been broadly defined in the Framework. However, the Issuer has communicated to the exact list of Eligible Expenses to be financed with the Bond. Moody's ESG Solutions confirms that the expenses in this Eligible Category are in line with ICMA's definitions of social projects.</p> <p>The social objectives have been clearly defined, these are considered relevant and consistent with the sustainability objectives defined in international standards.</p> <p>The expected social benefits are clear, these are considered relevant, measurable and will be quantified in the Bond reports.</p>
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SDG Contribution

The Eligible Categories are likely to contribute to 16 of the United Nations' Sustainable Development Goals ("SDGs"), namely:

ELIGIBLE CATEGORY	SDG	SDG TARGETS
<p>Socioeconomic advancement and reduction of inequalities.</p> <p>Peace building.</p> <p>Employment generation and promotion of productivity, including SMEs.</p>	 <p>1 No Poverty</p>	<p>1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.</p> <p>1.3 Implement nationally appropriate social protection systems and measures for all, by 2030 achieve substantial coverage of the poor and the vulnerable.</p> <p>1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including micro-finance.</p> <p>1.5 By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters.</p>
<p>Sustainable agricultural production, with low emissions and adapted to climate change.</p> <p>Food and nutrition security.</p> <p>Socioeconomic advancement and reduction of inequalities.</p>	 <p>2 Zero Hunger</p>	<p>2.1 By 2030 end hunger and ensure access by all people, in particular the poor and people in vulnerable situations including infants, to safe, nutritious and sufficient food all year round.</p> <p>2.2 By 2030 end all forms of malnutrition, including achieving by 2025 the international agreed targets on stunting and wasting in children under five years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women, and older persons.</p> <p>2.3 By 2030 double the agricultural productivity and the incomes of small-scale food producers, particularly women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets, and opportunities for value addition and non-farm employment.</p> <p>2.4 By 2030 ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters, and that progressively improve land and soil quality.</p>
<p>Effective access and quality in health services.</p> <p>Sustainable water management, use and sanitation.</p>	 <p>3 Good Health and Well-Being</p>	<p>3.2 By 2030, end preventable deaths of newborns and children under 5 years of age, with all countries aiming to reduce neonatal mortality to at least as low as 12 per 1,000 live births and under-5 mortality to at least as low as 25 per 1,000 live births.</p> <p>3.3. By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases.</p> <p>3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.</p> <p>3.b Support the research and development of vaccines and medicines for the communicable and non-communicable diseases that primarily affect developing countries, provide access to affordable essential medicines and vaccines, in accordance with the Doha Declaration on the TRIPS Agreement and Public Health, which affirms the right of developing countries to use to the full the provisions in the Agreement on Trade-Related Aspects of Intellectual Property Rights regarding flexibilities to protect public health, and, in particular, provide access to medicines for all.</p>

ELIGIBLE CATEGORY	SDG	SDG TARGETS
Education: Access, continuity and quality.	 4 Quality Education	4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to a relevant and effective learning outcome.
Socioeconomic advancement and reduction of inequalities.		4.2 By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education.
		4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.
		4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.
		4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations.
		4.6 By 2030, ensure that all youth and a substantial proportion of adults, both men, and women, achieve literacy and numeracy.
		4.a Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all.
Socioeconomic advancement and reduction of inequalities.	 5 Gender Equality	5.1 End all forms of discrimination against all females everywhere.
		5.2 Eliminate all forms of violence against all females in the public and private spheres including trafficking, sexual and other types of exploitation
		5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.
		5.a Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws.
		5.b Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women.
		5.c Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.
Access to basic services.	 6 Clean Water and Sanitation	6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all.
Biodiversity and ecosystem services.		6.2 By 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations.
Sustainable Agricultural Production, with low emissions and adapted to climate change.		6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.
Sustainable water management, use and sanitation.		6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.
		6.6 By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes.
Non-conventional energy sources, energy efficiency and connectivity.	 7 Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.
		7.3 By 2030, double the global rate of improvement in energy efficiency.

ELIGIBLE CATEGORY	SDG	SDG TARGETS
Employment generation and promotion of productivity, including SMEs.	 8 Decent Work and Economic Growth	8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation.
Socioeconomic advancement and reduction of inequalities.		8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value 8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.
Sustainable buildings adapted to climate change.	 9 Industry, Innovation and Infrastructure	9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and fair access for all.
Access to basic services.		9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.
Socioeconomic advancement and reduction of inequalities.	 10 Reduced Inequalities	10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.
Peace building.		10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard. 10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.
Non-conventional energy sources, energy efficiency and connectivity.	 11 Sustainable Cities and Communities	11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums
Clean and sustainable transportation.		11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons
Sustainable buildings adapted to climate change.		11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.
Access to basic services.		11.b By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster risk reduction 2015–2030, holistic disaster risk management at all levels.
Affordable and decent housing.		
Sustainable water management, use and sanitation.	 12 Responsible Production and Consumption	12.2 By 2030, achieve the sustainable management and efficient use of natural resources.
Waste and circular economy.		12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.
Sustainable Agricultural Production, with low emissions and adapted to climate change.		12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.
Biodiversity and ecosystem services.		

ELIGIBLE CATEGORY	SDG	SDG TARGETS
Clean and sustainable transportation.	 13 Climate Action	<p>The UN's SDG 13 consists of adopting urgent measures to combat climate change and its effects. States can contribute to this goal by investing in renewable energy, green buildings and reducing greenhouse gas emissions from transport operations thanks to the transition to electric vehicles.</p> <p>13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p> <p>13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.</p> <p>13.b Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, youth and local and marginalized communities acknowledging that the United Nations Framework Convention on Climate Change is the primary international, intergovernmental forum for negotiating the global response to climate change.</p>
Sustainable buildings adapted to climate change.		
Non-conventional energy sources, energy efficiency and connectivity.		
Management of disaster risks associated with climate change.		
Sustainable Agricultural Production, with low emissions and adapted to climate change.	 14 Life Below Water	<p>14.2 By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans.</p>
Biodiversity and ecosystem services.		
Sustainable water management, use and sanitation.	 15 Life on Land	<p>15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.</p> <p>15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.</p> <p>15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.</p> <p>15.9 By 2020, integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts.</p>
Biodiversity and ecosystem services.		
Sustainable Agricultural Production, with low emissions and adapted to climate change.	 16 Peace, Justice & Strong Institutions	<p>16.3 Promote the rule of law at the national and international levels and ensure equal access to justice for all.</p> <p>16.4 By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organized crime.</p> <p>16.6 Develop effective, accountable and transparent institutions at all levels.</p> <p>16.10 Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements.</p>
Peace building.		

Process for Evaluation and Selection of Eligible Expenditures



- The Evaluation and Selection Process for Eligible Green and Social Expenditures is clearly defined and detailed, it is considered well-structured in all its stages (including the proposal, selection, validation and monitoring of Eligible Categories). Roles and responsibilities are clearly defined and include relevant internal experts. The process is publicly disclosed in the Framework and in this Second Party Opinion.
- The eligibility criteria (selection and exclusion) have been clearly defined by the Issuer for all Eligible Categories.
- The process used to identify and mitigate potential material Environmental and Social risks related to Eligible Green and Social Expenditures Projects has been publicly disclosed in the Framework and this Second Party Opinion. The process is considered robust, it considers monitoring, identification and corrective measures for all Eligible Green and Social Categories (see detailed analysis on pages 41 - 45).

Process for Project Evaluation and Selection

The process of evaluation and selection of Eligible Green and Social Expenditures will be headed by the Ministry of Finance and Public Credit (hereinafter the MHCP) in conjunction with the National Planning Department of Colombia (hereinafter the DNP), and will count for the regarding Eligible Green Expenditures with the support of the Intersectoral Commission of the Presidential Cabinet for climate action and for matters concerning social issues with the Equity Roundtable, it will also have the support of two strategic working groups:

- (a) Green Bonds Working Group
- (b) Social Bonds Working Group

These Working Groups are responsible for:

1. Mapping of environmental and social projects within the General Budget of the Nation (PGN for its acronym in Spanish) with budget association.
2. Evaluation and filter based on criteria of eligible green spending and eligible social spending.
3. Selection and categorization of expenses.
4. Supervise that the amount associated with Eligible Green Expenses and Eligible Social Expenses is equivalent to the net amount received for the issue.
5. Review and validate that Eligible Green Expenditures and Eligible Social Expenditures are in line with what is established in the criteria for the Use of Proceeds.
6. Coordinate any future updates to the Framework.
7. Prepare results reports.

The selection and evaluation steps of the projects are divided as follows:

- Initial request for information: The Ministry of Finance and Public Credit is in charge of socializing the financing the process through Green Bonds and Social Bonds. In this way, the DNP is requested to list the projects that could be eligible according to the eligibility criteria established in the Framework. Likewise, the General Directorate of the National Public Budget (DGPPN for its acronym in Spanish) is required to request information on transfers or operating expenses. Likewise, the different entities, ministries and technical directorates may evaluate their portfolio of projects to identify the projects that could be eligible according to the eligibility criteria established in the Framework and propose them to the Working Groups as appropriate. After receiving the information on potential Eligible Green and Social Expenditures, the Green and Social Working Groups of the DNP review the information submitted and, if necessary, can establish meetings with the different ministries, state entities, areas and/or technical directorates of the DNP to clarify the characteristics of the projects. The MHCP and the DNP will present to each Green Bonds and Social Bonds Working Group the projects to be considered to be part of the Eligible Green and Social Expenditures, as long as they are included in the PGN.

- Investment budget filter: At this stage, the MHCP and the DNP lead an analysis of the proposed projects, where those Eligible Green and Social Expenditures that meet the Framework criteria are identified. In this stage, it is checked that the projects have a code in the Bank of National Investment Programs and Projects (BPIN for its acronym in Spanish) in order to identify the amount approved in the General Budget of the Nation for each term, the description and characteristics of each project and, if necessary, performs information gathering with the pertinent instances, as is the case of transfers that are not within the DNP system. Once the proposed projects have been studied, the Working Group builds the preliminary portfolio of Eligible Green and Social Expenditures. The Directorate of Investments and Public Finances (DIFP for its acronym in Spanish) verifies that the projects of the preliminary portfolio of Eligible Green and Social Expenditures are included in the law or budget bill and reviews the source of resources and the amount per year. Regarding non-investment projects, the information on the programs or projects will be validated with the DGPPN.
- Definition of indicators: The Working Groups with the information of the projects contemplated in the Monitoring System for Investment Projects (SPI for its acronym in Spanish) review the impact indicators to be followed and make their selection. In the case of contemplating programs or projects other than investment, the indicators are defined according to the information provided by the DGPPN or the entity in charge. In this stage, a socialization of the selected projects is carried out with the different ministries, state entities, areas, DGPPN and/or technical directorates of the DNP in charge, to corroborate the monitoring of impact indicators of the different Eligible Green and Social Expenditures or request additional information if necessary. In the stage of identification of impact indicators, there will be support from other government institutions for the identification of potential impact indicators.
- Definition of indicators: The Working Groups with the information of the projects contemplated in the Monitoring System for Investment Projects (SPI) review the impact indicators to be followed and make their selection. In the case of contemplating programs or projects other than investment, the indicators are defined according to the information provided by the DGPPN or the entity in charge. In this stage, a socialization of the selected projects is carried out with the different ministries, state entities, areas, DGPPN and/or technical directorates of the DNP in charge, to corroborate the monitoring of impact indicators of the different Eligible Green and Social Expenditures or request additional information if necessary. In the stage of identification of impact indicators, there will be support from other government institutions for the identification of potential impact indicators.
- Definition of the portfolio: For the classification process of the eligible green projects in each of the Eligible Categories, the participation and validation of the DNP, the MHCP or the Intersectoral Commission of the Presidential Cabinet for Climate Action, or in any other case, the high-level instance that takes its place. After completing the previous steps and socializing the selected projects, the Working Groups determine the final list of projects that will make up the final portfolio of Eligible Green and Social Expenditures. This is the final step to approve the Portfolio of Eligible Green and Social Expenses. The approval of the Green Portfolio will be led by the MHCP and DNP or the Intersectoral Commission of the Presidential Cabinet for Climate Action, or in any case, the high-level body that takes its place. Regarding Eligible Social Expenditures, the projects will be selected based on those that are already classified as social public expenditure in accordance with the functional classification of the budget used by the General Directorate of the National Public Budget (DGPPN), taking into account the criteria of eligibility defined in the Framework and that benefit a target population and the approval of the Social Portfolio will be led by the MHCP and DNP or the Equity Roundtable, or the equivalent high-level instance.

The traceability and verification of the selection and evaluation of the expenditures is ensured throughout the process:

- The Working Groups are responsible for ensuring that the Eligible Expenditures, both Green and Social, meet the criteria established in the Framework, 6 months after the issuance and annually thereafter, until the total association of the Bond resources. In addition, within its normal functions, the DNP monitors the development of projects financed in the Investment Budget, including Eligible Green and Social Expenditures. Each ministry in charge of its projects is responsible for supplying the relevant information on the development of the projects. This information is entered into the DNP's Investment Project Monitoring System (PMS). Additionally, for social issues, the Equity Roundtable or the equivalent high-level instance has a Control Board that is its main instrument for tracking and monitoring poverty reduction indicators and other inequalities.
- The Working Group undertakes to request in writing to the executing entities, once the Bond is issued, any ESG controversy linked to Eligible Green and Social Expenditures and inform the MHCP and the DNP. Constant

monitoring of the information reported by the entities to the PMS will be carried out and information will be requested every 6 months until the total association of funds.

- The decisions made in the meetings of the Working Groups will be communicated through email to those involved in the decisions and, if relevant, they will be communicated through the documentation created regarding the procedures related to the governance of the Bonds that have been approved at the meetings.

Eligibility Criteria

The process relies on explicit eligibility criteria (selection and exclusion), relevant to the environmental and social objectives defined for the Eligible Categories.

- The selection criteria is based on the definitions in the Eligible Categories defined Table 1 in the Use of Proceeds section.
- All Eligible Expenses will be located in Colombia, they are expenses considered in the General Budget of the Nation and, in the case of Green Bonds, they will be aligned with the Green Taxonomy of Colombia and the thresholds established therein, to the extent applicable.
- In addition, the Government of Colombia applies exclusion criteria for certain controversial activities in environmental and social issues. The list of these activities can be found in the Framework. We consider that the exclusion criteria are relevant, since they cover the main issues in terms of environmental and social responsibility, in line with good market practices.

BEST PRACTICES

- ⇒ Eligibility and exclusion criteria for Project selection are clearly defined and detailed for all the Eligible Categories.
- ⇒ The Issuer reports that it will monitor compliance of selected and financed projects with eligibility criteria specified in the Framework throughout the life of the instrument and has provided details on the procedure adopted in case of non-compliance.
- ⇒ The Issuer reports that it will monitor potential ESG controversies associated with the financed Projects throughout the life of the instrument and has provided details on the procedure in case a controversy is found.

Management of Proceeds



- The Process for the association and management of funds is clearly defined and detailed and has been publicly disclosed in the Framework.
- The period of total association of funds will be in the same or the following budget period.
- The net income of the Bonds will be deposited in the National Single Account (CUN for its acronym in Spanish) and these will be monitored by the Issuer in an appropriate manner with a formalized internal process.
- Information on the types of temporary instruments for unassociation funds has been publicly disclosed in the Framework. The Directorate of Public Credit and National Treasury will manage the unassociation funds according to the Treasury policies.
- The Issuer has committed that, during the useful life of the Bond, the balance of the tracked net funds will be periodically adjusted to match the association to the Eligible Expenditures incurred during that period.
- The Issuer has provided information on the applicable procedures in the event of divestment or postponement of Eligible Expenditures and has committed to reassociate the funds to Expenditures that meet the criteria established in the Framework in less than 24 months.

Management Process

- The Ministry of Finance and Public Credit (MHCP for its acronym in Spanish) will be responsible for verifying that the amount associated with the Eligible Expenses is equivalent to the net amount received for the issuance, with the information provided by the National Planning Department of Colombia (DNP for its acronym in Spanish) and the ministries or entities involved, up to one year after issuance. In operational terms, the Directorate of Public Credit and National Treasury will monitor the amounts assigned to the Eligible Categories.
- Likewise, it will be verified that this type of expense is not being financed with other sources, that is, that the same Eligible Expense is not counted twice.
- In case of resources pending association to Eligible Expenditures, the General Directorate of Public Credit and National Treasury will manage these unexecuted resources in accordance with its Treasury policies.
- The Issuer informs that there will be a Portfolio of Eligible Expenses and that this will be for an amount greater than the net resources of the Bond issue, in such a way that, if any of the expenses cease to be eligible or its amount is reduced, it can be replaced by another Eligible Expense from the same budget period or the next.

BEST PRACTICES

- ⇒ The association period is 24 months or less.
- ⇒ The Issuer has provided information on the procedure that will be applied in case of project divestment or postponement and it has committed to reassociate divested proceeds to projects that are compliant with the Bond Framework in less than 24 months.

Reporting

Not Aligned	Partially Aligned	Aligned	Best Practices
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- The Issuer is committed to report annually, until the full association of the Bond funds and in case of material changes. The report will be publicly available on the Issuer's website until the Bond matures.
- Reports will include relevant information on the association of funds and environmental benefits at the Eligible Category level and at Project level where feasible. The Issuer has also agreed to report on material developments and eventual ESG controversies related to Eligible Expenditures.
- The methodology and assumptions used to report on environmental benefits will be publicly disclosed in the Bond reports.
- An external auditor will verify the association of funds to Eligible Expenditures until the full association of funds and in case of material changes. The environmental benefits of Eligible Expenditures will be verified internally.

Indicators

The Issuer has committed to transparently communicate at Eligible Category level, on:

- Association of proceeds: The indicators selected by the Issuer to report on the association of proceeds are relevant and exhaustive.

REPORTING INDICATORS

- ⇒ Total amount associated with Eligible Green and Social Expenditures and a brief description of these.
- ⇒ Aggregate amount and percentage of resources associated and paid for each category.
- ⇒ Amount and percentage of resources associated with recent expenses and expenses of the current term.
- ⇒ Balance of the resources not associated with the execution information provided by each executing entity of Eligible Green and Social Expenditures. Percentage of co-financing for Eligible Green and Social Expenditure or project, if applicable.

- Environmental and social benefits: The indicators selected by the Issuer to report on the environmental and social benefits are clear and relevant.

ELEGIBLE GREEN CATEGORIES	ENVIRONMENTAL BENEFITS INDICATORS	
	OUTPUTS AND OUTCOMES	IMPACT INDICATORS
Non-conventional energy sources, energy efficiency and connectivity	<ul style="list-style-type: none"> - Number of photovoltaic power generation units installed, maintained or improved. - Number of generation plants expanded, built or improved. - Number of technical assistance services in the structuring of energy projects. - Number of generation units or installed generating sources of non-hydroelectric energy. 	<ul style="list-style-type: none"> - CO₂ reduced or avoided. - Energy savings in MWh/GWh.

ELEGIBLE GREEN CATEGORIES	ENVIRONMENTAL BENEFITS INDICATORS	
	OUTPUTS AND OUTCOMES	IMPACT INDICATORS
Biodiversity and ecosystem services.	<ul style="list-style-type: none"> - Reforested hectares. - Acres declared as protected areas. - Number of research, planning and guidelines documents focused on increasing the importance of in situ conservation of biodiversity. - Number of buildings for administration, surveillance and control of protected areas. - Hectares of forest with forest management plans. 	<ul style="list-style-type: none"> - Hectares of ecosystems preserved or in the process of being restored. - Hectares of forests, vegetation cover or ecosystems with biodiversity monitoring plans.
Sustainable Agricultural Production, with low emissions and adapted to climate change.	<ul style="list-style-type: none"> - Technical support service for the efficient use of natural resources in strategic ecosystems. - Reforested hectares. - Hectares under sustainable agroforestry systems. - Hectares of commercial forests or protective plantations established. 	<ul style="list-style-type: none"> - Reduction of GHG emissions, compared to the base scenario.
Clean and sustainable transportation.	<ul style="list-style-type: none"> - Linear kilometers or meters of roads built or improved for the operation of public service transportation. - Kilometers of infrastructure of mass transportation systems at the urban and metropolitan level. - Kilometers of bike lane infrastructure. - Numbers of stations, portals or complementary works built or improved for the operation of public service transportation. - Number of air quality surveillance and monitoring networks. - Kilometers or linear meters of railways built or improved and of waterways enabled in operating conditions. 	<ul style="list-style-type: none"> - Reduction of GHG emissions, compared to the base scenario.
Sustainable water management, use and sanitation.	<ul style="list-style-type: none"> - Number of hydrological monitoring stations operating continuously. - Number of laboratories and information systems strengthened and updated. - Number of aqueducts and sewers improved, built and optimized. - Number of wastewater management projects. - Number of projects formulated to promote the efficient use and saving of water. - Number of technical guidelines documents for climate change management, comprehensive water resource management or environmental management. - Number of regional institutional programs for monitoring water quality and quantity. - Number of planning and management plans for hydrographic basins. - Number of improved drinking water and/or wastewater treatment plants. 	<ul style="list-style-type: none"> - Cubic meters of water treated. - Increase in the quantity of treated water in m3 per year, month or week.

ELEGIBLE GREEN CATEGORIES	ENVIRONMENTAL BENEFITS INDICATORS	
	OUTPUTS AND OUTCOMES	IMPACT INDICATORS
Sustainable buildings adapted to climate change.	<ul style="list-style-type: none"> - Number of sustainable constructions or buildings. - Number of constructions or buildings with adaptation approaches. 	
Waste and circular economy	<ul style="list-style-type: none"> - Tons of waste, used, reused or recycled. - Number of companies assisted in circular economy and sustainability issues. 	
Disaster risk management associated with climate change	<ul style="list-style-type: none"> - Number of studies, guidelines, policies or programs focused on the identification, analysis, evaluation and prevention of disaster risk associated with climate variability and climate change - Financial protection instruments. - Number of regional centers for climate forecasting and atmospheric phenomena. - Number of technically assisted territorial and sectoral entities. - Number of implemented information systems. - Number of projects supported in order to increase the capacity of territorial entities in the implementation of measures to manage disaster risk. - Estimated probable risk reduction percentage. 	

ELEGIBLE SOCIAL CATEGORIES	SOCIAL BENEFIT INDICATORS	
	OUTPUTS AND OUTCOMES	IMPACT INDICATORS
Socioeconomic advancement and reduction of inequalities – People in vulnerable conditions, children, young, adolescents people and elderly people.	<ul style="list-style-type: none"> - Number of children and adolescents benefiting from transfers who access education and/or health services. - Number of families and youth beneficiaries of conditional and/or unconditional transfers. - Number of women with transfer of care for prenatal check-ups. - Number of subsidies for elderly people. - Number of children, young and adolescents served with a protection service for the restoration of rights or Integral and Traditional Services. - Number of buildings fixed, built and/or equipped for the attention of young and adolescents. - Number of beneficiaries of the social offer served. 	
Socioeconomic advancement and reduction of inequalities – Migrants in a condition of vulnerability	<ul style="list-style-type: none"> - Number of vulnerable migrants with regularized migration status. - Number of vulnerable migrants with access to health, education, housing or formal work. - Number of vulnerable migrants with access to basic services such as drinking water and sanitation, electricity, among others. - Number of vulnerable migrants with access to the financial system (traditional and alternative financial services). - Number of vulnerable migrants assisted and trained in the framework of community integration. 	
Socioeconomic advancement and reduction of inequalities – People with disabilities	<ul style="list-style-type: none"> - Number of content and audiovisual pieces in accessible language produced and disseminated. - Number of governmental and non-governmental entities advised in care routes orientation (#). - Number of entities, organizations and families technically assisted. 	

ELEGIBLE SOCIAL CATEGORIES	SOCIAL BENEFIT INDICATORS
Socioeconomic advancement and reduction of inequalities – Ethnic groups	<ul style="list-style-type: none"> - Number of collective production units of ethnic groups strengthened. - Number of homes of ethnic groups technically assisted. - Number of installed productive units for the self-consumption of ethnic groups. - Number of people from ethnic groups trained. - Number of ethnic group projects co-financed.
Socioeconomic advancement and reduction of inequalities – Closing the gender gap	<ul style="list-style-type: none"> - Number of women benefited with subsidies, guidance, accompaniment and/or financial support. - Number of women trained in entrepreneurship or in areas of high economic potential. - Number of productive projects co-financed. - Number of placements or generations of employment of women. - Number of homes/reception centers for victims of gender violence supported, strengthened or built.
Education: Access, continuity and quality	<ul style="list-style-type: none"> - Number of educational infrastructure, classrooms or offices built, improved or modernized. - Number of quotas or training registrations granted. - Number of teachers and educational agents in initial, preschool, basic and secondary education benefited from strategies to improve their capacities. - Number of beneficiaries of financial support strategies or programs for access, permanence, and graduation from higher education.
Peace building	<ul style="list-style-type: none"> - Number of modified regional centers that provide assistance to victims. - Number of requests from victims of the armed conflict attended and processed through different channels. - Number of properties handed over and compensated in compliance with court rulings on land restitution. - Number of cases of preventive protection and restitution of territorial rights for ethnic groups processed. - Number of initiatives for social recognition of victims and/or promotion of coexistence implemented. - Number of households victims of the armed conflict that have received humanitarian aid in kind, resources for the transport of goods and/or subsidies.
Employment generation and promotion of productivity, including SMEs	<ul style="list-style-type: none"> - Total amount of the subsidy provided to businesses as part of economic assistance to alleviate particular socioeconomic events. - Number of jobs protected with the state contribution. - Number of additional young people formally hired by the company as a result of the subsidy to promote employment. - Number of people oriented in their search for formal employment. - Number of people from rural areas trained in entrepreneurship. - Number of companies benefitting from subsidies resulting from particular socioeconomic events. - Percentage of SMEs benefitting from subsidies requested from particular socioeconomic events.
Decent and affordable housing	<ul style="list-style-type: none"> - Number of households benefiting from home purchase. - Number of households benefiting from housing rental. - Number of households benefiting from home construction. - Number of households benefited from home improvements.
Access to basic services	<ul style="list-style-type: none"> - Number of financed aqueduct and sewage projects in urban and rural areas. - Increase in the average daily hours of water and sewage service measured in hours/day. - Kilometers of paved streets or highways built or improved. - Number of municipalities technically assisted in water and sanitation projects. - Number of households with new access or improved access to the aqueduct and/or sewage system. - Number of households with new connections to the electricity grid installed.
Food and nutrition security	<ul style="list-style-type: none"> - Number of production units for self-consumption installed in households in a situation of vulnerability. - Number of liquid or solid foods of high nutritional value distributed. - Number of students benefited from the school meals program. - Number of households technically assisted to improve eating habits. - Number of people assisted in the treatment and prevention of malnutrition.

ELEGIBLE SOCIAL CATEGORIES	SOCIAL BENEFIT INDICATORS
Effective access and quality in health services	<ul style="list-style-type: none"> - Annual weighted average of biological vaccine coverage measured as a percentage. - Annual weighted average of COVID-19 vaccine coverage measured as a percentage. - Number of public hospitals or health centers built or improved. - Number of patients treated in public hospitals or health centers built or improved.

BEST PRACTICES

- ⇒ The issuer report will be publicly available.
- ⇒ The reporting will cover relevant information related to the association of Bond proceeds and to the expected sustainable benefits of the Categories. The Issuer has also committed to report on material development related to the projects, including ESG controversies.
- ⇒ The Issuer will report on the funds association and the environmental benefits at Eligible Expenditure level.
- ⇒ The indicators selected by the Issuer are relevant and exhaustive with regards to the association reporting.
- ⇒ The reporting methodology and assumptions used to report on environmental and social benefits of Eligible Categories will be disclosed publicly.

CONTRIBUTION TO SUSTAINABILITY

Expected Impacts

The potential positive Impact of the eligible projects on environmental and social objectives is considered to be advanced.

ELIGIBLE GREEN AND SOCIAL CATEGORIES	EXPECTED IMPACT	ANALYSIS
Non-conventional energy sources, energy efficiency and connectivity	ADVANCED	The promotion of renewable energy and energy efficiency is key to addressing the national challenges regarding the reduction of the carbon footprint. Renewable energy projects are key in a sustainable energy matrix. The portfolio of projects for this issue includes projects that promote the use of photovoltaic panels as a source of electricity generation in non-interconnected areas.
Biodiversity and ecosystem services	ROBUST	The portfolio projects that are linked to this category are dedicated to protecting ecosystems and biodiversity in Colombia, through the improvement of capacities for the protection of protected areas in Colombia, promoting reforestation plans and prevention of deforestation. In addition, the projects in this category contribute to the institutional strengthening of Government institutions responsible for protecting ecosystems and biodiversity.
Sustainable Agricultural Production, with low emissions and adapted to climate change.	ROBUST	Sustainable agricultural systems are key to guarantee food security in balance with the environmental care of these production systems, so as not to generate deterioration in the resources used (such as soil and water) or in the surrounding ecosystems. It is identified that the projects associated with this category in the analyzed portfolio are aimed at promoting sustainable agriculture, silvopastoral systems and sustainable forest chains.
Clean and sustainable transportation	ROBUST	The projects in this category include electric mobility (Bogotá Metro), promotion of the public transportation system. Electric mobility can be considered emission-free, while public transport includes gas-powered mobility technology projects. The Issuer has demonstrated through information from the evaluation of the projects that the current projects in the portfolio contribute positively to air quality and to a lesser extent to the reduction of GHG compared to the current baseline in Colombia.
Sustainable water management, use and sanitation	ROBUST	The portfolio projects that are linked to this category seek the institutional strengthening of governance in water management in Colombia, wastewater treatment and generation of knowledge on hydrological and meteorological issues. There is no visibility of the impact in terms of GHG that the infrastructure or projects have associated. The projects in this category represent a social benefit for the general population and the vulnerable population, offering a drinking water service network and wastewater management through water supply and wastewater management programs, as well as intra-domiciliary connection programs which directly influence the well-being of people.
Sustainable buildings adapted to climate change	NON APPLICABLE	The project portfolio for this issue does not include projects in this category.
Waste and circular economy	ROBUST	Promoting circular economy is key to reducing the generation of waste, promoting recycling, reusing resources and, in general, promoting eco-design in the production of goods. The analyzed portfolio project linked to this category seeks to finance the implementation of the Comprehensive Solid Waste Management, including solid waste separation programs, use of organic waste (composting) and recycling treatment.
Disaster risk management associated with climate change	ROBUST	Disaster risk management associated with climate change has become relevant to ensure preventive and corrective actions for climatic events that may affect natural resources or the population. The projects in the portfolio of this category seek to generate knowledge about the risk of possible disasters, maintain monitoring systems and methods to obtain information on the different characteristics of these events and be able to establish measures to prevent and reduce disaster risks associated with climate change.

ELIGIBLE GREEN AND SOCIAL CATEGORIES	EXPECTED IMPACT	ANALYSIS
Socioeconomic advancement and reduction of inequalities	ADVANCED	The projects associated with this category seek to finance projects that reduce poverty and reduce inequalities, promote socioeconomic development in identified vulnerable groups, and that can have access to knowledge, support, services, actions and strategies that contribute to socioeconomic development that represents a long term benefit. Through the Social Policy of Colombia, a structure has been created to consolidate social protection measures, focused on reducing poverty and inequality. This category has five subcategories that divide the projects according to the beneficiary population, these are: (i) Vulnerable population, especially children, young, adolescents, and elderly people, (ii) Migrants in vulnerable conditions, (iii) People with disabilities, (iv) Ethnic groups and (v) Women and girls, the latter includes projects that promote access to employment and support for enterprises led by women.
Education: Access, continuity and quality	ADVANCED	According to the OECD, education is key to inclusive growth. It is estimated that increasing access to good quality education has the potential to bring important social benefits to countries, such as an increase in social awareness, the strengthening of democratic participation, the reduction of inequalities and crime, and an increase in innovation. As reported by the OECD, in Colombia the system faces low enrollment rates for children between 3 and 5 years of age, low levels of spending for education and the highest student-teacher ratio among OECD countries. ⁴⁰ Projects within this category seek to finance investments to improve access and quality to public education for users of the entire public education system, that is, from primary education to higher education, including measures to promote continuity of students in the educational system. The populations identified as beneficiaries of these investments are the users of the public educational system with an emphasis on vulnerable populations.
Peace building	ADVANCED	According the Unit for Victims of the Armed Conflict, as of 2022, there are 9,310,377 people recognized in the Single Registry of Victims (RUV for its acronym in Spanish), almost 50% are women, more than 20% minors, ⁴¹ for which social public policies include support for this population. The projects within this category seek to establish reparation measures for these through psychosocial accompaniment actions and services, monetary compensation, in kind and/or land restitution. This category seeks to contribute to the recognition, mitigation of psychosocial damage, attention and compensation to the victims of the armed conflict in Colombia at the national level and to the actions implemented in the search for non-repetition.
Employment generation and promotion of productivity, including SMEs	ROBUST	Small and medium-sized enterprises (SMEs) play an important role in most economies, particularly in developing countries. SMEs represent the majority of companies worldwide and are important contributors to job creation and global economic development. ⁴² In a study carried out in 2015, it is estimated that in Colombia, two out of three SMEs are informal, and according to OECD statistics, by 2018, 40% of SMEs in the industrial, commerce and services sectors have applied for loans from the financial system, these funds were used mainly for working capital, risk consolidation, purchases, remodeling or adjustments to its business. ⁴³ This category seeks to contribute to the financing of projects that support the generation, protection and promotion of formal employment, with the aim of reducing unemployment rates, including entrepreneurship for companies affected by the COVID-19 pandemic, the national strikes and other particular adverse events, seeking to benefit the unemployed population through support for companies, mainly SMEs, prioritizing the vulnerable population. These projects promote the generation of formal employment, job retention and productivity for the general population and the vulnerable population.
Decent and affordable housing	ADVANCED	Access to housing is a priority issue in the region and in Colombia, according to data from the National Administrative Department of Statistics (DANE for its acronym in Spanish), in its 2021 report, it showed that the national general housing deficit was 31%, of 7.5% of this percentage corresponds to a quantitative deficit, that is, housing with structural deficiencies ⁴⁴ , and 23.5% to a qualitative deficit of housing with non-structural problems, with the aim of increasing access to decent housing and improving living conditions of habitat. This category seeks to finance projects for the acquisition, construction on its own site, repair, expansion, improvement, conditioning or leasing of social interest housing and priority interest housing, focused on low-income households and/or in areas rural.

⁴⁰ https://www.oecd.org/education/education-at-a-glance/EAG2019_CN_COL.pdf

⁴¹ <https://cifras.unidadvictimas.gov.co/Cifras/#!/infografia>

⁴² <https://www.worldbank.org/en/topic/sme/finance>

⁴³ <https://www.oecd-ilibrary.org/sites/2960938f-en/index.html?itemId=/content/component/2960938f-en>

⁴⁴ <https://www.dane.gov.co/files/investigaciones/deficit-habitacional/Boletin-tec-deficit-hab-2021.pdf>

ELIGIBLE GREEN AND SOCIAL CATEGORIES	EXPECTED IMPACT	ANALYSIS
Access to basic services	NON APPLICABLE	The project portfolio for this issue does not include projects in this category.
Food and nutritional security	ADVANCED	In order to implement the policies and plans that the country has in relation to food and nutritional security, this category seeks to finance projects and/or programs to generate and expand access to healthy and nutritious food services for students in the public education system at all levels (preschool to tertiary education), prioritizing the most vulnerable students. Within the category, projects that increase nutritional health in general, with an emphasis on combating malnutrition and infant mortality due to this cause, are also considered. In addition, it seeks to contribute to another objective that consists of the generation of technical capacities through tools so that households in rural areas produce and consume healthy food.
Effective access and quality in health services	ADVANCED	Facilitating access to healthcare services, especially among the identified target population, is relevant to addressing Colombia's sustainability challenges. Among the 37 OECD countries, Colombia ranked 33 rd in having a population satisfied with the availability of quality health care in the area where they live, with only 47% of the population satisfied with the quality of health care available. ⁴⁵ Access to healthcare is a priority issue for governments, which also becomes relevant after the COVID-19 pandemic to ensure care for the vulnerable population, therefore the projects within this category include the financing of construction, operation and/or remodeling of public hospitals or public health services that benefit the population. It also includes financing of expenses related to the purchase, distribution and application of biological vaccines and vaccines against COVID-19 of the population in national territory.
OVERALL SCORE	ADVANCED	

⁴⁵ <https://www.oecd-ilibrary.org/sites/ae3016b9-en/1/3/5/1/index.html?itemId=/content/publication/ae3016b9-en&csp=ca413da5d44587bc56446341952c275e&itemIGO=oecd&itemContentType=book>

ESG Risks Identification and Management Systems in Place at Project Level

The identification and management of the environmental, social, and governance risks associated with the Eligible Projects are considered robust.⁴⁶

	ELIGIBLE GREEN CATEGORIES	ELIGIBLE SOCIAL CATEGORIES
Environmental Risks	X	X
Social Risks	X	X
Ethic Risks	X	X
Management of ESG Aspects in Public Procurement	X	X
GLOBAL SCORE	ROBUST	ROBUST

The DNP has guidelines for project formulation and structuring known as "Project Theory" where the guidelines for the identification of risks and mitigation measures at the macro level are presented in a general way, it is not a specific methodology for risk management in public investment projects. It should be clarified that each entity is in charge of identifying risks under its own methodology, and aligning them according to the methodological guidelines of the DNP, thus implementing and adopting these guidelines. Additionally, Web MGA is used as a tool to centralize the registration of the risks of public investment projects in the formulation stage; however, their follow-up and monitoring falls to the executing entities.

- Identify risks and estimate their probability and impact.
- Classify the priority of care and establish management measures.
- Define contingency plans in the required cases.

Environmental Risks

The executors of the investment projects will be required to comply with Colombian environmental regulations designed to control and mitigate the impacts of the activities associated with each project. The Issuer reports the main laws, codes, frameworks and regulations that are responsible for the protection, compensation and mitigation of environmental risks:

- Political Constitution of Colombia 1991⁴⁷

With respect to the Constitution, it establishes in Article 80: "The State will plan the management and use of natural resources, to guarantee their sustainable development, their conservation, restoration or substitution."

- National Code of Renewable Natural Resources and Environmental Protection⁴⁸

This Code provides the regulatory framework for the exploitation and use of natural resources, incentives, sanctions and regulates the management of different natural resources. In addition, it indicates the categories of protected areas at the national and regional levels with various objectives, such as the conservation of water resources (use, water quality, discharges), forest resources and soil resources.

- Law 99 of 1993⁴⁹

The Ministry of the Environment is created, the Public Sector responsible for the management and conservation of the environment and renewable natural resources is reorganized, the National Environmental System (SINA for its acronym in Spanish) is organized, and it includes the modes and procedures for citizen participation related to natural resources. In addition, the regulations of this law cover key issues such as environmental licenses. Pointing out the definitions for its interpretation, it establishes the scope and concept of the license, competencies and standards.

⁴⁶ The "X" indicates the E&S risks that have been activated for each Eligible Category.

⁴⁷ <https://www.corteconstitucional.gov.co/inicio/Constitucion%20politica%20de%20Colombia.pdf>

⁴⁸ http://www.secretariasenado.gov.co/senado/basedoc/decreto_2811_1974.html

⁴⁹ <https://www.mininterior.gov.co/la-institucion/normatividad/ley-99-de-1993>

- Institutional framework for environmental protection⁵⁰

This framework creates the National Environmental System (SINA acronym in Spanish), which is headed by the Ministry of the Environment. This system is the set of guidelines, regulations, activities, resources, programs and institutions that allow the implementation of general environmental principles and orders the public sector in charge of the management and conservation of the environment and renewable natural resources, it also establishes the role of the environmental authorities in the autonomous corporations, in the territorial entities and in the National Environmental Licensing Authority (ANLA for its acronym in Spanish). The SINA establishes the scope and concept of the environmental license necessary for projects, competence, regulations on environmental studies, environmental diagnosis of alternatives, environmental impact study, procedure, modification, assignment, loss of validity, control, monitoring, access to information environment, among other provisions.

- Unique Regulatory Decree of the Environment and Sustainable Development Sector⁵¹

Compilation of the regulations issued by the National Government and contains the structure of the environmental sector, the regulatory regime related to biodiversity, environmental management, non-maritime waters, maritime waters, air, hazardous waste, institutional management, financial, economic and tax instruments and regime penalty, among others.

- Unique Regulatory Decree of Housing, City and Territory⁵²

Compilation of the norms issued by the National Government and contains the structure of the housing sector and land use planning, the regulatory regime includes matters related to the environmental provisions of land use planning and disaster risk management.

- Monitoring and control of environmental risks

The Ministry of Environment and Sustainable Development is the main entity for the management of the environment and renewable natural resources. It is the responsibility of the Ministry of Environment and Sustainable Development to coordinate the National Environmental System to ensure the adoption and execution of the respective policies, plans, programs and projects, to guarantee compliance with the duties and rights of the State and of individuals in relation to with the environment and natural heritage of the Republic of Colombia. The SINA also integrates the Regional Autonomous Corporations, the Territorial Entities, the Research Institutes attached and linked to the Ministry, academia, NGOs, civil society and unions. The National Environmental Licensing Authority, together with the environmental authorities, are responsible for ensuring that projects, works or activities subject to licensing, permits or environmental procedures comply with environmental regulations. The activities that require an environmental license are regulated by law⁵³, and are associated with projects with a potentially relevant impact, such as energy projects, infrastructure, mining, agrochemicals, among others. Eligible Green Expenditures will be subject to the environmental assessment process, to the extent that they may cause serious damage to renewable natural resources or the environment or introduce considerable or notorious modifications to the landscape.

The environmental license, when applicable, will include all the permits for the use, exploitation and/or affectation of renewable natural resources, which are necessary for the useful life of the Eligible Green or Social Expenditure. The use of renewable natural resources must be clearly identified in the respective environmental impact study. The environmental license must be obtained prior to the initiation of the project, work or activity. No project, work or activity will require more than one environmental license. In the event that the environmental license requires the creation of an environmental management and compensation plan, ANLA or the environmental authority is in charge of monitoring compliance with these plans.

All projects with a current environmental license are reviewed at least once a year to verify compliance with environmental regulations and environmental management and compensation plans. Monitoring is carried out during the construction, operation and dismantling stages of the project.

The environmental evaluation of those Eligible Green or Social Expenditures that do not require an environmental license must operate based on the environmental guidelines generated by the Ministry of the Environment, the Regional Autonomous Corporations, the Sustainable Development Corporations, National Natural Parks and urban environmental authorities as appropriate.

The Regional Autonomous Corporations (CARs for their acronym in Spanish) are autonomous public entities in charge of managing, within the area of their jurisdiction, the environment and renewable natural resources and promoting their sustainable development, following the guidelines of the guides and manuals of impact assessments at the national level. In addition, being autonomous from the Government of Colombia, the Regional Autonomous Corporations have margins of

⁵⁰ http://www.secretariasenado.gov.co/senado/basedoc/ley_0099_1993.html

⁵¹ <https://www.funcionpublica.gov.co/eva/gestornormativo/norma.php?i=78153>

⁵² <https://www.funcionpublica.gov.co/eva/gestornormativo/norma.php?i=77216>

⁵³ <http://www.suin-juriscol.gov.co/viewDocument.asp?ruta=Decretos/1389917>

action when making decisions in their evaluations, in line with the established general guidelines. It should be noted that Moody's ESG Solutions does not have visibility of the exhaustiveness of the evaluations carried out by each of the Regional Autonomous Corporations.

On the other hand, the function of the National Natural Parks of Colombia⁵⁴ is to grant environmental permits, concessions and authorizations for the use and exploitation of renewable natural resources in the areas of the National Natural Parks System and to issue a concept within the framework of the environmental licensing process of projects, works or activities that affect or may affect the areas of the National Natural Parks System in accordance with the activities permitted by law.

The environmental penalty procedure is regulated by Law 1333⁵⁵ in case of identifying non-compliance with environmental regulations in projects. Sanctions include fines, suspension of activities, closure of establishments, revocation of environmental license, as well as Law 2111⁵⁶ which defines crimes against natural resources.

Finally, Law 2159 of 2021⁵⁷ establishes that the executing entities of the PGN that have expenses from the portfolio of thematic bonds (green or social), must provide the MHCP and the DNP, every 6 months once the thematic bond is issued, necessary information to make reports to investors, such as indicators of impact, performance and environmental, social or governance controversies that arise in these expenses or projects.

Social Risks

The management, control and mitigation of risks linked to human rights is a fundamental aspect for the development of Eligible Green and Social Expenditures. The Issuer reports the main laws, codes, frameworks and regulations that are responsible for the protection and mitigation of social risks:

- Human rights

In labor matters, the Substantive Labor Code⁵⁸ contains the norms that regulate the relations between employers and employees. This Code regulates relevant issues in Human Rights, such as freedom of union association, right to strike, minimum working age (child labor), working hours, rights and guarantees in favor of workers aligned with international conventions or treaties related to Human rights. Monitoring of compliance with the Code is carried out by the Ministry of Labor through the Directorate of Fundamental Labor Rights. To verify compliance, a visit plan is made, covering a minimum number of visits established annually. The minimum number of visits to be made by geographical area is variable, taking into account economic sectors, geographical extension of the area, complaint history, among others. In addition, there are anonymous complaint channels for complaints with telephone, virtual channels and face-to-face attention to the public. In case of non-compliance, companies can be sanctioned with fines and forced to correct the identified failures.

- Health and safety at work

The Single Regulatory Decree of the Work Sector⁵⁹ brings together the necessary provisions for the management of health and safety at work and occupational risks. The person responsible for ensuring compliance with the regulations is the Ministry of Labor, through its Directorate of Occupational Risks and the regional territorial directorates. To monitor compliance with the regulations, annual visit plans are made, which cover the risk of occupational accidents. These inspections are preventive in order to identify relevant accidents and verify eventual plans established to prevent accidents. There is the figure of Occupational Risk Administrators (ARL for its acronym in Spanish), which have regulated obligations to advise companies and verify compliance with regulations related to health and safety at work. In the event that the ARL identifies non-compliance with the regulations, they must report the companies. All companies must be affiliated with an ARL. In addition, there are anonymous complaint channels for complaints with telephone, virtual channels and face-to-face attention to the public. In case of non-compliance, sanctions include fines, suspension of operations or closure of operations.

- Dialogue with Communities

The promotion of dialogue with communities is regulated through Decree 1066 of 2015, Administrative Sector of the Interior.⁶⁰ One of the mechanisms for dialogue with ethnic communities is through "prior consultation"⁶¹, which seeks to protect the cultural identity of ethnic communities in Colombia. In addition, in the environmental field, the legislation

⁵⁴ <https://www.parquesnacionales.gov.co/portal/en/>

⁵⁵ http://www.secretariassenado.gov.co/senado/basedoc/ley_1333_2009.html

⁵⁶ <https://dapre.presidencia.gov.co/normativa/normativa/LEY%202111%20DEL%2029%20DE%20JULIO%20DE%202021.pdf>

⁵⁷ <https://dapre.presidencia.gov.co/normativa/normativa/LEY%202159%20DEL%2012%20DE%20NOVIEMBRE%20DE%202021.pdf>

⁵⁸ http://www.secretariassenado.gov.co/senado/basedoc/codigo_sustantivo_trabajo.html

⁵⁹ <http://www.suin-juriscol.gov.co/viewDocument.asp?ruta=Decretos/30019522>

⁶⁰ <https://www.funcionpublica.gov.co/eva/gestornormativo/norma.php?i=76835>

⁶¹ Prior Consultation is a fundamental right of the indigenous and tribal peoples of the world, recognized by the United Nations through the ILO Convention 1691 of 1989 and incorporated into national legislation by Law 21 of 1991 that applies to ethnic groups.

establishes criteria to determine the obligation to analyze the origin of prior consultation and its scope in activities that require environmental licensing. The Ministry of the Interior, through the Vice Ministry of Participation and Rights, is in charge of supervising and promoting dialogue between companies and the communities that may be affected by the operations.

In the first instance, a technical analysis is carried out to determine the origin or not of the prior consultation. The analysis includes parameters such as cultural, ancestral, customs, affectation in the daily sustenance of the communities, among others. The executor of the project must request the analysis of the origin of the prior consultation in case of identifying a direct affectation, the executor of the project is notified that he must carry out the consultation process. Within the framework of the prior consultation process, coordination and preparation meetings, pre-consultation and opening, identification of impacts, formalization of agreements and follow-up are held. The process can end in full, partial or no agreement. For situations where an agreement is not reached based on the conversations held with the communities, a "proportionality test" is carried out where the impacts that the projects would cause are analyzed. Companies can develop projects without having reached an agreement with the communities, although they must also comply with the impact mitigation plan prepared in the proportionality test.

The communities do not have veto power, however, prior free and informed consent of the ethnic communities is required in three cases in which there is a direct impact: (i) transfer or relocation of the community from its place of settlement; (ii) storage or dumping of hazardous or toxic materials on ethnic lands; and (iii) measures with a high social, cultural, and environmental impact on an ethnic community capable of putting its subsistence at risk. For the other projects, management measures will be determined to prevent, correct or mitigate their impact.

The Directorate of the National Prior Consultation Authority is in charge of monitoring the plans and commitments adopted by the companies. In the event of non-compliance, adjustments to the previous plan can be negotiated at follow-up meetings. Moody's ESG Solutions does not identify relevant sanction mechanisms (for example: fines, suspension or cancellation of the project, among others) in case of non-compliance with the impact mitigation plans adopted in the prior consultation outside of the three cases of direct affectation mentioned.

An area for improvement is to establish that projects financed by Bond resources require an agreement with the communities to operate. In addition, establish sanctions in case of non-compliance with the expected impact mitigation plans.

- Monitoring and control of social risks

The Administrative Department for Social Prosperity, in accordance with Decree 2094 of 2016⁶², has in its powers the follow-up, monitoring and evaluation of the execution of policies, plans and projects of the Social Inclusion and Reconciliation Sector, in coordination with the entities responsible for the matter.

Control of the environmental, social and governance risks identified in the projects is the responsibility of the executing entities, such as the Ministry of the Environment, the DPS, the Ministry of Education, the Ministry of the Interior and/or other executing entities. The Equity Roundtable has a Control and Monitoring Board as the main tool that contains strategic indicators for reducing poverty and inequality, for which it monitors the progress of these indicators in these projects.

On the other hand, Law 2159 of 2021⁶³ establishes that the executing entities of the PNG that have expenses from the portfolio of thematic bonds (green or social), must provide the MHCP and the DNP, every 6 months once the thematic bond is issued, information necessary to make reports to investors, such as indicators of impact, performance and environmental, social or governance controversies that arise in these expenses or projects. –

- Complaints and claims mechanism

The executing entities have on their website a section for contact, questions, complaints or reports, which are managed by a unit in charge of receiving, processing and resolving article 76 of Law 1474 of 2011 and Law 1755 of 2015, through which regulates the Fundamental Right of Petition. In addition, each public entity has its Internal Disciplinary Control Office, which can also be contacted by citizens.

Citizens can also go to instances such as the Office of the Comptroller General or the Office of the Attorney General of the Nation to file complaints about events that are considered to have criminal repercussions.

Regarding public purchases, the Colombia Purchase Efficient program is maintained, where a public purchase system operates where citizens can also enter requests, complaints and related claims, in compliance with Law 1712 of 2014⁶⁴ on transparency and access to information and the applicable complementary ones.

⁶² <https://funcionpublica.gov.co/eva/gestornormativo/norma.php?i=78873>

⁶³ <https://dapre.presidencia.gov.co/normativa/normativa/LEY%202159%20DEL%2012%20DE%20NOVIEMBRE%20DE%202021.pdf>

⁶⁴ <http://www.secretariatransparencia.gov.co/observatorio-anticorrupcion/Documents/ABC%20Ley%201712%20editado.pdf#:~:text=La%20Ley%201712%20de%202014%20o%20de%20Transparencia,a%20la%20informa%20-%20ci%C3%B3n%20p%C3%BAblica%20en%20Colombia>

Ethic Risks

At the oversight level, the Republic of Colombia has the Comptroller's Office, the Attorney General's Office and the *Personerías*, which have different scopes of surveillance, and are in charge of monitoring compliance with the rules related to the efficient use of resources, their adequate budget execution, the correct behavior of public servants and the monitoring of the different processes established to avoid corruption within public activities.

In case of identifying inappropriate or illegal behavior, all public servants have the obligation to report these facts to the Comptroller's Office, the Attorney General's Office or the Prosecutor's Office, depending on the nature of the faults. All government entities have an ethics line available and publicly accessible to make complaints. The Attorney General's Office has a preventive role in this sense, where it can provide support and recommendations to different government entities. All Eligible Green Expenditures and Eligible Social Expenditures are subject to the regulations related to public contracting (see section "Public purchases, tenders and concessions"), which include mechanisms that prevent the participation of suppliers that do not meet certain criteria, including issues of conflict of interest, bribery, among others.

Management of ESG Aspects in Public Procurement

The contracting mechanism for public goods and services in Colombia is regulated by Law⁶⁵, which establishes the principles, procedures and modalities for the selection of the contractor, which may be public bidding, abbreviated selection, merit contest, minimum amount and direct contracting, depending on the conditions of the good or service to be contracted.

The National Public Procurement Agency ("Colombia Compra Eficiente") as the governing body of public contracting in Colombia, aims to develop and promote public policies and tools, aimed at the organization and articulation of the participants in the processes purchasing and public contracting in order to achieve greater efficiency, transparency and optimization of State resources. The state entities that carry out contracting processes have the obligation to comply with the principles of contractual planning and objective selection established in the legal system. In addition, there is a regulation to disqualify participants in these processes, including suppliers who have repeatedly breached state contracts, those who are involved in transnational bribery, who identify family ties with public officials who participate in the process, convicted of crimes against the public administration, among others.

Colombia "*Compra Eficiente*" is responsible for managing the Electronic Public Procurement System (SECOPII), which is a transactional platform that allows state entities and suppliers to carry out the contracting process online, through which contracting processes are created, evaluated, and awarded, as well as contractual management, monitoring the progress of the processes and participation to present offers and observations. All information on contracts and agreements made under SECOPII is publicly accessible.

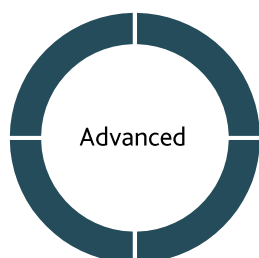
Each contracting state entity is responsible for ensuring that the purchasing process is carried out in accordance with the regulatory framework. Among others, the Internal Audit Offices of each state entity are responsible for investigating complaints or reports made due to non-compliance with established processes. In addition, the Attorney General's Office has the power to monitor the correct behavior of public servants, and in this sense, that they respect the established public procurement processes.

The environmental and social requirements in public procurement selection criteria are not prohibited, and it is up to each state entity to consider these environmental and social criteria in their procurement evaluations. In this sense, with the aim of guiding the decision-making of state entities, facilitating the transition by suppliers and strengthening citizen control, Colombia "*Compra Eficiente*" makes available to interested parties the Guide to Sustainable Public Procurement with the Environment and the Socially Responsible Public Procurement Guide, which are aligned with CONPES 3934 (Green Growth Policy) and the National Action Plan for Human Rights and Business.

An identified area for improvement is that selection parameters be established that consider environmental and/or social aspects of the suppliers, products or services that are contracted systematically.

⁶⁵ <https://sintesis.colombiacompra.gov.co/normatividad/documento/13987> ; http://www.secretariassenado.gov.co/senado/basedoc/ley_1150_2007.html ; <https://www.funcionpublica.gov.co/eva/gestornormativo/norma.php?i=77653#0>

ISSUER



According to the *Sovereign Sustainability Rating* © last updated by Moody's ESG Solutions (MESG) in June 2022, Colombia received a rating of 64/100 which indicates an overall advance sustainability performance. Colombia ranks 58th out of 179 countries rated in our global sovereign sustainability index, and 36th out of 38 OECD countries⁶⁶ rated by MESG⁶⁷.

MESG's assessment of the Issuer's sustainability performance is based on publicly available information and statistics collected from sources that have been agreed for use in the data collection and rating methodologies for the Sovereign Sustainability Rating.

By sustainability pillar, Colombia has an advanced performance in Environmental Responsibility (66/100) and Governance Responsibility (72/100), and a good performance in Social Responsibility (54/100).

Level ESG Performance

The Issuer's ESG performance was assessed through a complete process of rating and benchmarking. As of June, 2022 displays an advanced ESG performance (64/100), ranking 58th in our global sovereign sector, which covers 179 countries. The country is Advanced in the Environmental and Social pillar and Robust in the Governance pillar.

In response to MESG's rating, the Issuer has provided additional information and recently reported data, suggesting recent improvements in some areas.

As for the Environmental Responsibility pillar, the Issuer has updated its NDC in December 2020, including targets on carbon emissions⁶⁸. Likewise, the Issuer has reported improvements in Colombia's energy transition⁶⁹ and information regarding green taxes⁷⁰. In the last four years, the generation capacity from non-conventional renewable sources has multiplied by 25 times. Additionally, the requirement was implemented so that between 8% and 10% of the energy acquired by marketers to serve regulated users comes from generation projects from non-conventional renewable sources. On the other hand, sustainable mobility and energy efficiency continue to be promoted. Precisely, thanks to the Electric Mobility Law, sanctioned in 2019, Colombia was a regional leader increasing sales of electric vehicles by more than 90%, surpassing countries such as Chile and the Dominican Republic. In addition, the National Government, through the Ministry of Mines and Energy, continues to promote the diversification of Colombia's energy matrix towards one that is cleaner and friendlier to the environment. To achieve this goal, the Ministry has advanced in the regulation of new technologies that allow the country to move towards carbon neutrality, such as geothermal energy and zero- and low-emission hydrogen, which is why it regulated the respective articles of the Energy Transition Law.

Under the Social Responsibility pillar, the Issuer has provided recent information on gender equality⁷¹, public education⁷² and progress on the SDGs⁷³. In addition, in June 2021, Colombia presented to the Committee on Standards of the International Labour Organization the measures for the fulfillment of the commitments acquired in the framework of ILO Convention 87⁷⁴. In addition, public spending on education, which amounted to 4.93% of GDP (2020)⁷⁵, is in line with the countries of the region and with the OECD average; Likewise, in 2021 the education budget was 47.3 billion pesos, the highest figure in history⁷⁶. On the other hand, in terms of health, according to an OECD report, Colombia has 1.4 nurses and 2.3 doctors per 1,000 inhabitants⁷⁷, close to the number recommended by the WHO of 2.5 doctors per 1,000 inhabitants. It should be noted that coverage has increased from 29.2% in 1995 to 99% in December 2021. Additionally, in Latin America it is the country,

⁶⁶ There are 38 countries that are members of the Organization for Economic Cooperation and Development (OECD): Australia, Austria, Belgium, Canada, Chile, Colombia, Costa Rica, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States. Source <https://www.oecd.org/about/members-and-partners/>. All these countries are covered by MESG in the Sovereign Sustainability Rating.

⁶⁷ Note: The Issuer has not been subject to a review of its ability to mitigate sustainability risks based on the review of stakeholder opinion.

⁶⁸ <https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Colombia%20First/NDC%20actualizada%20de%20Colombia.pdf>

⁶⁹ <https://www.minenergia.gov.co/libro-transicion-energetica>

⁷⁰ Como por ejemplo: la Ley 1964 de 2019 mediante la cual se promueve el uso de vehículos eléctricos, la Ley 1819 de 2016 mediante la cual se establece el impuesto nacional al carbono y el impuesto nacional al consumo de bolsas plásticas, la ley 1715 de 2014 mediante la cual se establecen incentivos tributarios a las Fuentes No Convencionales de Energía Renovable.

⁷¹ <https://mlr.vicepresidencia.gov.co/Paginas/prensa/2020/Colombia-pais-lider-en-equidad-de-las-mujeres-en-America-Latina-segun-OCDE.aspx>

⁷² https://www.mineducacion.gov.co/1759/w3-article-391936.html?_noredirect=1

⁷³ <https://www.ods.gov.co/es/news/informe-anual-de-avance-en-la-implementacion-de-los-ods-en-colombia-2020>

⁷⁴ https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_804448.pdf

⁷⁵ https://datos.bancomundial.org/indicador/SE.XPD.TOTL.GD.ZS?end=2020&locations=CO&most_recent_value_desc=true&start=2020&view=map

⁷⁶ <https://www.mineducacion.gov.co/portal/salaprensa/Noticias/402290:El-presidente-Ivan-Duque-sanciona-la-Ley-de-Presupuesto-Nacional-2021-con-la-asignacion-de-recursos-mas-alta-para-el-sector-Educacion-con-47-3-billones>

⁷⁷ <https://www.oecd.org/centrodemexico/medios/NOTA%20DE%20PAIS%20COLOMBIA.pdf>

along with Chile that has the highest percentage of people vaccinated against COVID-19⁷⁸. As of July 2022, there are 36.4 million people with the full vaccination schedule⁷⁹.

Finally, regarding the institutional responsibility pillar, the Issuer has reported progress in the Peace Agreement with the FARC and the treatment of victims of the conflict⁸⁰. Colombia currently has the Special Jurisdiction for Peace (JEP), which is the justice component of the Integral System of Truth, Justice, Reparation and Non-Repetition, created by the Peace Agreement between the National Government and the FARC-EP. The JEP has the function of administering transitional justice and hearing crimes committed in the framework of the armed conflict that were committed before December 1, 2016. The JEP was created to satisfy the rights of victims to justice, offer them truth and contribute to their reparation, with the purpose of building a stable and lasting peace, its work will focus on the most serious and representative crimes of the armed conflict, according to the selection and prioritization criteria that are defined by the law and the magistrates. In particular, it may hear crimes committed by former FARC-EP combatants, members of the security forces, other state agents and civilian third parties. On the latter two, the Constitutional Court clarified that their participation in the JEP would be voluntary⁸¹.

DOMAIN	COMMENTS	OPINION
Environmental Responsibility	Colombia has an <u>Advanced</u> performance in the Environmental Responsibility pillar with a score of 66/100, which places the country in the fourth quartile ⁸² in MESG's rated sovereign universe (ranks 41st out of 179).	Advanced
	At the time of the evaluation, Colombia has ratified most relevant international environmental conventions, including the Paris Agreement, the United Nations Framework Convention on Climate Change, the Convention on Biological Diversity, the United Nations Framework Convention to Combat Desertification and the Stockholm Convention on persistent organic pollutants.	Robust
	Compared to its OECD peers, Colombia has a relatively low carbon intensive economy. The country has the lowest carbon consumption per capita (1.6 metric tons of CO2 emissions per capita in 2018 ⁸³), the lowest carbon emissions per capita from transportation and the eighth lowest carbon intensity per unit of economic output (0.11 kg of CO2 emissions per PPP USD of GDP ⁸⁴) in the OECD group. However, Colombia needs to intensify its efforts to reduce energy consumption from fossil fuels ⁸⁵ and generate more opportunities for renewable energy.	Limited
	Colombia has an overall mixed performance on biodiversity and ecosystem management. The country has developed a reasonable coverage of protected areas aimed to safeguard its rich terrestrial and marine biodiversity (50% in 2021). However, Colombia has a high rate of biodiversity loss, with one of the lowest Red List Index in the OECD group (0.74 in 2022). Sustainable agriculture is another area for improvement. Colombia has a high consumption of fertilizers and a limited use of sustainable practices in agriculture. In addition, the country needs to increase the share of environment-related taxes in GDP (0.55% in 2020) ⁸⁶ and allocate more public funds for environment-related R&D (15.64% in 2020) ⁸⁶ .	Weak

⁷⁸ <https://www.cepal.org/es/subtemas/covid-19>

⁷⁹ <https://www.minsalud.gov.co/salud/publica/Vacunacion/Paginas/Vacunacion-covid-19.aspx>

⁸⁰ <https://www.jep.gov.co/JEP/Paginas/Jurisdiccion-Especial-para-la-Paz.aspx#:~:text=La%20JEP%20fue%20creada%20para,una%20paz%20estable%20y%20duradera.&text=Sobre%20estos%20dos%20%C3%BAltimos%2C%20la,en%20la%20JEP%20ser%C3%ADa%20voluntaria.>

⁸¹ <https://www.jep.gov.co/JEP/Paginas/Jurisdiccion-Especial-para-la-Paz.aspx#:~:text=La%20JEP%20fue%20creada%20para,una%20paz%20estable%20y%20duradera.&text=Sobre%20estos%20dos%20%C3%BAltimos%2C%20la,en%20la%20JEP%20ser%C3%ADa%20voluntaria.>

⁸² The quartile measures the spread of scores above and below the mean by dividing the distribution into four groups. The data is arranged from smallest to largest: First quartile: the lowest 25% of scores; Second quartile: between 0% and 50% (up to the median); Third quartile: 0% to 75%; Fourth quartile: the highest 25% of scores.

⁸³ <https://data.worldbank.org/indicator/EN.ATM.CO2E.PC>

⁸⁴ <https://data.worldbank.org/indicator/EN.ATM.CO2E.PP.GD>

⁸⁵ <https://data.worldbank.org/indicator/EG.USE.COMM.FO.ZS>

⁸⁶ https://stats.oecd.org/Index.aspx?DataSetCode=GREEN_GROWTH#

Social Responsibility	Colombia has a Good performance in the Social Responsibility pillar with a score of 54/100, which places the country in the bottom of the second quartile in M ESG's rated sovereign universe (ranks 89 th out of 179). The Social Responsibility pillar scores the lowest across the three pillars of sustainability.	Advanced
	The government spending on education, which amounted to 4.5% of GDP (2019), is relatively low compared to the OECD group. ⁸⁷ Income inequality is the highest in the OECD group, with a Gini coefficient of 0.5 (2020). Youth unemployment is high compared to the OECD group, which amounted to 25.9% in 2020. ⁸⁸	
	In aspects related to gender equity, Colombia shows a good performance on the "Social Institutions and Gender Index" (SIGI) compared to other OECD countries and has moderate rates of representation of women in political life and in the workforce. Areas for improvement are identified in the labour protection system. According to the International Trade Union Confederation (ITUC), Colombia was one of the ten worst countries in the world for workers, with twenty two trade unionists murdered between 2020 and 2021. ⁸⁹	Robust
	Colombia has a moderate performance in areas related to public health, where some areas for improvement have been identified. Colombia has performed lower than the OECD average on issues related to maternal, infant and child mortality, and children under five years of age. However, the prevalence of child malnutrition and stunting has decreased in the last ten years, although it remains relatively high compared to other OECD countries. The access to health infrastructure, with 1.3 nurses and midwives and 3.84 physicians per 1000 inhabitants is slightly exceeding the WHO recommendations of 2.5 members of the medical staff per 1000 inhabitants that is needed to provide coverage adequate with primary care interventions.	Limited
Governance Responsibility		Weak
	Colombia has an Advanced performance in the Governance Responsibility pillar with a score of 72/100. The country ranks in the third quartile in M ESG's rated sovereign universe (ranks 76 th out of 179).	Advanced
	Colombia has ratified fundamental conventions relating to human rights, children's rights, and labour rights such as forced labour, freedom of association and collective bargaining. However, Colombia has not endorsed international agreements related to the protection of workers' representatives, occupational health and safety, and the implementation of a minimum wage setting system. The country abolished the death penalty for all crimes, however, areas for improvement are identified. For example, the treatment of crimes committed during the ongoing internal armed conflict, that emerged after the signing of the 2016 FARC Peace Agreement, remains a concern. ⁹⁰	Robust
	Colombia has demonstrated continuous improvement in issues related to promoting political stability, absence of violence, rule of law, public governance, control of corruption and democratic accountability during the last ten years. However, its performance on these issues remains relatively low compared to other OECD countries. The country ranked the 19 th least peaceful country in the Global Peace Index (GPI) 2022. ⁹¹	Limited
		Weak

⁸⁷ <https://data.worldbank.org/indicator/SE.XPD.TOTL.GD.ZS>

⁸⁸ <https://data.worldbank.org/indicator/SU.UEM.1524.ZS>

⁸⁹ https://files.mutualcdn.com/ituc/files/ITUC_GlobalRightsIndex_2021_EN-final.pdf

⁹⁰ Source: <https://www.amnesty.org/en/countries/america/colombia/>

⁹¹ The Global Peace Index (GPI) scores 163 countries on a scale of 1-5, where 1 is most peaceful and 5 is least peaceful. Source: <https://www.visionofhumanity.org>

METHODOLOGY

In our view, Environmental, Social and Governance (ESG) factors are intertwined and complementary. As such they cannot be separated in the assessment of ESG management in any organisation, activity or transaction. In this sense, we provide an opinion on the Issuer's ESG performance as an organisation, and on the processes and commitments applicable to the intended issuance.

Our Second Party Opinions (SPOs) are subject to internal quality control at three levels (Analyst, Project Manager and Quality Reviewer). If necessary, this process is complemented by a final review and validation by the Expertise Committee and Supervisor. A right of complaint and recourse is guaranteed to all companies under our review.

COHERENCE

Scale of assessment: not coherent, partially coherent, coherent

This section analyses whether the activity to be financed through the selected instrument is coherent with the Issuer's sustainability priorities and strategy, and whether it responds to the main sustainability issues of the sector where the Issuer operates.

ISSUANCE

Alignment with the Green and/or Social Bond Principles

Scale of assessment: Not aligned, Partially aligned, Aligned, Best Practices

The Framework has been evaluated by Moody's ESG Solutions according to the ICMA's Green Bond Principles - June 2021 ("GBP") (with June 2022 Appendix 1), and the Social Bond Principles - June 2021 ("SBP") (with June 2022 Appendix 1), and on our methodology based on international standards and sector guidelines applicable in terms of ESG management and assessment.

Use of proceeds

The definition of the Eligible Projects and their sustainable objectives and benefits are a core element of Green/Social/Sustainable Bonds and Loans standards. Moody's ESG Solutions evaluates the clarity of the definition of the Eligible Categories, as well as the definition and the relevance of the primary sustainability objectives. We evaluate the descriptions of the expected benefits in terms of relevance, measurability and quantification. In addition, we map the potential contribution of Eligible Projects to the United Nations Sustainable Development Goals' targets.

Process for evaluation and selection

The evaluation and selection process is assessed by Moody's ESG Solutions on its transparency, governance and relevance. The eligibility criteria are assessed on their clarity, relevance and coverage vs. the intended objectives of the Eligible Projects.

Management of proceeds

The process and rules for the management and the allocation of proceeds are assessed by Moody's ESG Solutions on their transparency, traceability and verification.

Reporting

The monitoring and reporting process and commitments defined by the Issuer are assessed by Moody's ESG Solutions on their transparency, exhaustiveness and relevance, covering the reporting of both proceeds' allocation and sustainable benefits (output, impact indicators).

Contribution to sustainability

Scale of assessment: Weak, Limited, Robust, Advanced

For Moody's ESG Solutions, the potential positive impact of an activity towards environmental and social objectives must not be separated from the management of potential negative impacts and externalities. For that reason, our assessment of activities' contribution to sustainability and the identification and management of ESG risks is consolidated within the general contribution of a project towards sustainability.

Expected positive impact of the activities on environmental/social objectives

The expected positive impact of activities on environmental/social objectives to be financed by the Issuer or Borrower is assessed on the basis of:

- i) the relevance of the activity to respond to an important environmental/social objective for the sector of the activity;⁹²
- ii) the scope of the impact: the extent to which the expected impacts are reaching relevant stakeholders (i.e. the Issuer, its value chain, local and global stakeholders);
- iii) the magnitude and durability of the potential impact of the proposed activity on the environmental/social objectives (capacity to not just reduce, but to prevent/avoid negative impact; or to provide a structural/long-term improvement);
- iv) for environmental objectives only: the extent to which the activity is adopting the best available option.

ESG risk management for eligible activities

The identification and management of the potential ESG risks associated with the eligible projects and/or activities are analysed on the basis of Moody's ESG Solutions' ESG assessment methodology, international standards and sector guidelines applicable in terms of ESG management and assessment.

ISSUER

Issuer's ESG Performance

Scale of assessment of ESG Performance: Weak, Limited, Robust, Advanced

The Issuer's level of ESG performance (i.e. commitments, processes, results of the Issuer related to ESG issues), has been assessed through a complete process of rating and benchmarking developed by Moody's ESG Solutions.

The Issuers' ESG performance has been assessed by us on the basis of its:

- Leadership: relevance of the commitments (content, visibility and ownership).
- Implementation: coherence of the implementation (process, means, control/reporting).
- Results: indicators, stakeholders' feedbacks and controversies.

Moody's ESG Solutions has revised its Sovereign Sustainability Rating ©, which is the result of a process of continuous improvement and is based on a permanent monitoring of the evolution of international regulations, as well as the expectations and debates of stakeholders. This enhanced version includes 69 new factors to meet market needs. The 172 indicators are placed in the perspective of the UN Sustainable Development Goals and are organized into 56 criteria, 17 subdomains and 3 rating domains. It should be noted that the new methodology leads to a decrease in the absolute scores of most countries.

Moody's ESG Solutions Sovereign Sustainability Rating © methodology measures and compares the levels of integration of international public law and soft law frameworks, including the Sustainable Development Goals (SDGs), and Agenda 21 action programmes, adopted by 178 countries at the Rio Earth Summit in 1992. We pay special attention to the commitments, policies and impacts of public policies in terms of respect for fundamental human rights, access to economic, social, cultural and environmental rights, quality of governance, as well as solidarity and international cooperation. From the analysis of a universe composed of 178 countries, the results provide a comparative view of the risks and results, in relation to the universally recognized sustainability objectives.

The performance in terms of sustainable development of the Republic of Colombia evaluated by Moody's ESG Solutions for the last time in June 2022 based on three rating domains, equitably weighted: Environmental Responsibility (i.e. environmental protection), Social Responsibility, and Institutional Responsibility (i.e. Rule of Law and Governance).

- Engagement indicators: reflect the country's level of commitment to the objectives and principles set out in the main international agreements: ILO conventions, recommendations and declarations; United Nations charters and treaties; OECD Guiding Principles; regional instruments (provided that they comply fully with the Charter of the United Nations); the Universal Declaration of Human Rights, its protocols and related treaties.
- Results indicators: measurement of the efficiency of the country's sustainable development actions. Moody's ESG Solutions collects information from a variety of sources, including international organisations such as intergovernmental organisations, international trade unions and NGOs.

⁹² The importance of a specific social need at country level is assessed on the basis of the country performance on the priority SDG that the project is targeting using data from Sachs, J., Schmidt-Traub, G., Kroll, C., Lafortune, G., Fuller, G., Woelm, F. 2020. The Sustainable Development Goals and COVID-19. Sustainable Development Report 2020. Cambridge: Cambridge University Press.

OUR ASSESSMENT SCALES

Scale of assessment of Issuer's ESG performance or strategy and financial instrument's Contribution to sustainability		Scale of assessment of financial instrument's alignment with Green and/or Social Bond and Loan Principles	
Advanced	Advanced commitment; strong evidence of command over the issues dedicated to achieving the sustainability objective. An advanced expected impact combined with an advanced to robust level of ESG risk management & using innovative methods to anticipate new risks.	Best Practices	The Instrument's practices go beyond the core practices of the ICMA's Green and/or Social Bond Principles and/or of the LMA/APLMA/LSTA's Green and/or Social Loan Principles by adopting recommended and best practices.
Robust	Convincing commitment; significant and consistent evidence of command over the issues. A robust expected impact combined with an advance to robust level of assurance of ESG risk management or an advanced expected impact combined with a limited level of assurance of ESG risk management.	Aligned	The Instrument has adopted all the core practices of the ICMA's Green and/or Social Bond Principles and/or of the LMA/APLMA/LSTA's Green and/or Social Loan Principles.
Limited	Commitment to the objective of sustainability has been initiated or partially achieved; fragmentary evidence of command over the issues. A limited expected impact combined with an advanced to limited level of assurance of ESG risk management; or a robust expected impact combined with a limited to weak level of assurance of ESG risk management; or an advance expected impact combined with a weak level of assurance of ESG risk management.	Partially Aligned	The Instrument has adopted a majority of the core practices of the ICMA's Green and/or Social Bond Principles and/or of the LMA/APLMA/LSTA's Green and/or Social Loan Principles, but not all of them.
Weak	Commitment to social/environmental responsibility is non-tangible; no evidence of command over the issues. A weak expected impact combined with an advanced to weak level of assurance of ESG risk management or a limited expected impact with a weak level of assurance of ESG risk management.	Not Aligned	The Instrument has adopted only a minority of the core practices of the ICMA's Green and/or Social Bond Principles and/or of the LMA/APLMA/LSTA's Green and/or Social Loan Principles.

STATEMENT ON MOODY'S ESG SOLUTIONS' INDEPENDENCE AND CONFLICT-OF-INTEREST POLICY

Transparency on the relation between MOODY'S ESG and the Issuer: MOODY'S ESG has not carried out any audit mission or consultancy activity for the Republic of Colombia. No established relation (financial or commercial) exists between MOODY'S ESG and the Republic of Colombia. Independence, transparency, quality and integrity requirements are all formalised within our Moody's Code of Conduct.

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