

Introduction

Banco de Comercio Exterior de Colombia S.A. – Bancóldex is a mixed-capital company of Colombian origin, not assimilated to an industrial and commercial company of the State, associated with the Ministry of Trade, Industry and Tourism, organized as a bank institution and subject to the control, inspection and oversight of the Colombian Financial Superintendent (Superintendencia Financiera de Colombia).

As Colombia's business development bank, Bancóldex supports the country's productive transformation with an emphasis on micro, small and medium sized enterprises (MSMEs), boosts exports, and promotes environmental sustainability and the creative economy, acting as a public policy instrument of the National Government. Based on the above, the Bank has proposed a strategy aimed at four focal points:

- To support the productivity and competitiveness of MSMEs: for Bancóldex, the promotion of entrepreneurship and productivity mainly in the segment of micro, small and medium-sized enterprises is a strategic focus and is aligned with the policies defined by the National Government.
- Financing foreign trade and the internationalization of the business sector: the Bank will maintain as a priority the attention to the exporting sector through different lines of action from the financial and non-financial aspects, taking into account its initial mandate as Colombia's Export Bank (Banco de Comercio Exterior de Colombia).
- Financing green growth and the creative economy of Colombia: the Bank has traditionally been a pioneer entity in the promotion and financing of green projects such as alternative energies. For this, in the medium and long term, the Bank will continue to finance and structure green projects for mitigation and adaptation of climate change, alternative energies and their infrastructures, circular economy, among others.

As a bank that promotes business development in Colombia, Bancóldex has set the goal of promoting the creative economy as a way to boost the country's economic development. For this, it has designed a long-term strategy focused on: financial services, non-financial services and investment.

- Bancóldex as an instrument of public policy for the maintenance of the Colombian business network: it will accompany the guidelines established by the Government to promote productivity and competitiveness of companies. It has a portfolio of specialized technical assistance instruments for the conceptualization and structuring of projects that activate business investments and contribute to the growth of companies in the country.

For the attention of these strategic focuses, the Bank offers a variety of financial instruments and technical support to promote the strengthening and innovation of both the sectors dedicated to the domestic market and those that make up the export chain.

Bancóldex operates mainly as a second-tier bank, disbursing credit resources to the business sector through a network of local financial institutions, supervised and not supervised by the Financial Superintendence of Colombia, and through foreign financial institutions that finance the purchase of Colombian products or services or that finance the expansion processes of Colombian companies abroad. Additionally, Bancóldex can offer direct credit to companies, and it does so by prioritizing those projects or investments in the productive sector that generate a positive impact on the environment, improving the country's productivity and competitiveness, that contribute to increasing

exports or that contribute to the modernization of its production process, among other aspects.

As an instrument of public policy of the National Government, Bancóldex is aligned with the National Development Plan 2018-2022, “Pact for Colombia, pact for equity that seeks to achieve social and productive inclusion, through entrepreneurship and legality.

Within the pillars of the Plan, such entrepreneurship contemplates that economic growth will be enhanced by an environment favorable to the creation and consolidation of a solid and competitive business fabric, where Bancóldex has a stake through financing for SMEs in the country.

In the same sense, the Ministry of Commerce, Tourism Industry, within the framework of its Sectorial Strategic Plan 2019-2022, includes a strategic objective called "Productivity and Innovation" which seeks to increase the productivity of companies and generate economic growth and development , where Bancóldex is represented through financing to micro, small and medium-sized companies. Likewise, Bancóldex participates in this objective by investing in venture capital funds in order to facilitate the scaling-up of high-potential ventures.

As previously mentioned, Bancoldex has had an important relationship with the entities oriented to microenterprise credit (Entities Oriented to Microenterprise Credit - EOCM in Spanish), with the aim to strengthen the network of intermediaries through which microenterprises can access credit. Bancoldex started assisting microenterprises through 26 EOCM and currently works with 74 EOCM, covering approximately 700 municipalities, most of which have very little or no exposure to the traditional financial system.

To achieve this goal, Bancoldex has developed and put in place a rigorous and reliable methodology that allows the Bank to understand the characteristics and forms of operation of this segment, in each of the country's regions.

One of the main services Bancoldex offers to the microenterprenurial segment, are tailor made credits that take into account the necessities of this type of enterprises as wells as of the needs of the entities that target this segment as follows:

- Lines of credit launched exclusively for micro and small enterprises, separating them from all other segments that may have a bigger access to credit, to guarantee that the resources actually reach the smallest companies.
- Bancoldex has created a massive financing mechanism that allows microfinancing entities to request important amounts of resources to then disburse them to the microenterprises providing the respective reports to Bancoldex. This scheme facilitates the delivery of the credits allowing the bank to finance more than 10.000 microenterprises.
- It is habitual for Bancoldex to generate lines of credit with preferential conditions for micro and small enterprises that are located in regions that face economic challenges derived from border difficulties, public order problems and natural disasters, in order to avoid the closure of productive activities and also to accompany the normalization of the entrepreneurial activity.

In addition Bancoldex has a Corporate Environmental and Social Management Policy that includes 3 pillars: a) Eco-efficiency, which includes the internal actions that the Bank implements in order to make rational use of resources to generate the least amount of

environmental impact in its operations; b) Management of Environmental and Social Risks, through which Bancoldex identifies and evaluates the socio-environmental risk of its portfolio; and c) Design of "green" financial and non-financial products that favour investments for the mitigation of, and adaptation to, climate change and that generate social benefits.

Likewise, within the framework of the Pandemic, Bancóldex has irrigated a significant amount of credit resources to the Colombian business sector. In a first stage, the objective of resources is related to the survival of companies in Colombia facing the negative effects of the economic slowdown produced by the measures taken to counteract the effects of the pandemic. In this sense, Bancóldex will accompany the Government's strategies in the economic reactivation of companies. A first measure, it will be through the injection of liquidity to the Colombian enterprises in order to activate the exchange of goods and services that allows them to recover their operational capacity. At a second level, the Bank must help companies make the necessary investments to comply with the protocols and biosecurity measures to guarantee the safety of their employees and customers. A third level refers to the recovery of the productive capacity of companies. Finally, a boost must be given to the different economic sectors of the new reality where the Colombian companies are supported to change and makes the necessary adjustments to survive.

Taking into account all of the above, Bancoldex is in the process of issuing a new Social Bond that allows it to diversify its sources of funding to finance loans for productive activities that provide them with liquidity to support economic reactivation and more equal economic growth, as well as investments that allow them to adapt their operation to the new conditions in the framework of the pandemic. The projects financed with the proceeds of this bond will be aligned with the sustainability strategy of the institution and with national priorities. The Bancoldex Social Bond Framework has been developed in accordance with the 2020 Social Bond Principles¹ and its four pillars (i) Use of proceeds; (ii) Process for project evaluation and selection; (iii) Management of proceeds; and (iv) Reporting. Later sections of this document will explain these pillars in detail.

I. Use of Proceeds

Eligible Projects

Eligible investments for Bancoldex include all credit operations in which the beneficiary is considered a micro or a small enterprise (MSE)², as well as those credits directed to business owners located in rural areas, women business owners, or victims of armed conflict business owners. For portfolio categorization please refer to Appendix I.

Also, all credit operations destined to finance or refinance investments in productive activities that seek the economic reactivation of micro, small businesses (MSMEs) affected by the COVID-19 pandemic will be eligible projects.

The Projects to be financed or refinanced with the proceeds from the issuance of the Bancoldex Social Bond may be originated the date the pandemic began in Colombia (march 2020) or after the issuance date. The refinancing could participate with 100% of

¹ The Social Bond Principles 2017. Available at <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2020/Social-Bond-PrinciplesJune-2020-090620.pdf>

² Bancoldex defines MSEs as either a "natural or legal person"

the proceeds at the time of the issue. The Projects must fulfill one or more of the following eligibility criteria:

Project Category	Eligible Projects and target group	Eligibility Criteria	Sustainability Objectives																																				
MSE financing and financial inclusion	Micro and small enterprise financing	<p>Microenterprises and small enterprises were first defined by Colombian law 590 of July 10th 2000, which was modified by Law 905, 2004. In June 2019, the Ministry of Trade (MinCIT) established in Decree No. 957 the criteria for classifying companies according to their annual ordinary income of the immediately preceding year. Segmentation by economic activity must be carried out in accordance with the sectoral correspondence established in article 3 of resolution 2225 of December 2019 issued by the MinCIT.</p> <p>The following is the representation of the UVT classification expressed in the Decree, for the 2020 UVT, which is equivalent to 1UVT = \$ 35,607 pesos in 2020, 1UVT = \$ 34,270 pesos in 2019 and 1 UVT = \$ 33,156 pesos in 2018:</p> <p>Classification table by sales 2020 values in pesos equivalent to classification in UVT, figures in pesos</p> <table border="1" data-bbox="478 887 1276 1084"> <thead> <tr> <th>Segment</th> <th>Manufacture</th> <th>Services</th> <th>Trade</th> </tr> </thead> <tbody> <tr> <td>Microenterprise</td> <td>Up to \$839.007.741</td> <td>Up to \$1.174.603.716</td> <td>Up to \$1.594.089.783</td> </tr> <tr> <td>Small Enterprise</td> <td>Above \$839.007.741 and up to \$7.299.256.965</td> <td>Above \$1.174.603.716 and up to \$4.698.379.257</td> <td>Above \$1.594.089.783 and up to \$15.353.595.972</td> </tr> </tbody> </table> <p>Classification table by sales 2019 values in pesos equivalent to classification in UVT, figures in pesos</p> <table border="1" data-bbox="478 1167 1276 1364"> <thead> <tr> <th>Segment</th> <th>Manufacture</th> <th>Services</th> <th>Trade</th> </tr> </thead> <tbody> <tr> <td>Microenterprise</td> <td>Up to \$807.504.010</td> <td>Up to \$1.130.498.760</td> <td>Up to \$1.534.233.630</td> </tr> <tr> <td>Small Enterprise</td> <td>Above \$807.504.010 and up to \$7.025.178.650</td> <td>Above \$1.130.498.760 and up to \$4.521.960.770</td> <td>Above \$1.534.233.630 and up to \$14.777.086.920</td> </tr> </tbody> </table> <p>Classification table by sales 2018 values in pesos equivalent to classification in UVT, figures in pesos</p> <table border="1" data-bbox="478 1447 1276 1644"> <thead> <tr> <th>Segment</th> <th>Manufacture</th> <th>Services</th> <th>Trade</th> </tr> </thead> <tbody> <tr> <td>Microenterprise</td> <td>Up to \$781.254.828</td> <td>Up to \$1.093.750.128</td> <td>Up to \$1.484.360.964</td> </tr> <tr> <td>Small Enterprise</td> <td>Above \$781.254.828 and up to \$6.796.814.220</td> <td>Above \$1.093.750.128 and up to \$4.374.967.356</td> <td>Above \$1.484.360.964 and up to \$14.296.734.576</td> </tr> </tbody> </table>	Segment	Manufacture	Services	Trade	Microenterprise	Up to \$839.007.741	Up to \$1.174.603.716	Up to \$1.594.089.783	Small Enterprise	Above \$839.007.741 and up to \$7.299.256.965	Above \$1.174.603.716 and up to \$4.698.379.257	Above \$1.594.089.783 and up to \$15.353.595.972	Segment	Manufacture	Services	Trade	Microenterprise	Up to \$807.504.010	Up to \$1.130.498.760	Up to \$1.534.233.630	Small Enterprise	Above \$807.504.010 and up to \$7.025.178.650	Above \$1.130.498.760 and up to \$4.521.960.770	Above \$1.534.233.630 and up to \$14.777.086.920	Segment	Manufacture	Services	Trade	Microenterprise	Up to \$781.254.828	Up to \$1.093.750.128	Up to \$1.484.360.964	Small Enterprise	Above \$781.254.828 and up to \$6.796.814.220	Above \$1.093.750.128 and up to \$4.374.967.356	Above \$1.484.360.964 and up to \$14.296.734.576	<ul style="list-style-type: none"> • Generate income and increase employment; • Reduce income inequality; • Promote financial and workforce inclusion; • Support local economic activation; • Promote the integration and employment of groups at risk of social exclusion; • Promote gender equality and empower women;
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	<p>Rural business financing</p> <p>Women-owned business financing</p>	<p>Rural businesses are those operating in areas defined by the National Department of Planning (Departamento Nacional de Planeación -DNP) and the Mission for the Transformation of the Field (Misión para la Transformación del Campo) as rural municipalities. These include:</p> <ul style="list-style-type: none"> • Municipalities that have fewer than 25 thousand inhabitants; or, • Municipalities that present intermediate population densities (between 10 inhab/km2 and 100 inhab/km2) <p>Female business owners over the age of 18</p>	<ul style="list-style-type: none"> • Reduce the gender pay gap. 																
	<p>Victims of armed conflict - owned business financing</p>	<p>Defined by Colombian Law 1448 of 2011, Law of Victims and Restitution of Lands, article 159. Victims of conflict are defined as all people who individually or collectively have suffered violations according to International Humanitarian Law and International Human Rights Standards and damages as a result of internal armed conflict.</p>																	
<p>Financing and Financial inclusion for MSMEs for their post-pandemic economic reactivation</p>	<p>Financing for MSMEs affected by the Covid-19 pandemic to support their economic reactivation</p>	<p>Micro, Small and Medium size Companies facing financial problems as a result of the preventive measures (social distancing, quarantine) and/or economic downturn caused by the pandemic, Financing of operations aimed at preventing or alleviating unemployment resulting from the Pandemic.</p> <p>The classification of companies will be carried out in accordance with the provisions of MinCit Decree No. 957 of June 5, 2019 and the segmentation by economic activity must be carried out in accordance with the sectoral correspondence established in article 3 of resolution 2225 of December 2019 issued by the MinCIT.</p> <p>The following is the representation of the UVT classification expressed in the Decree, for the 2020 UVT, which is equivalent to 1UVT = \$ 35,607 pesos in 2020, 1UVT = \$ 34,270 pesos in 2019 and 1 UVT = \$ 33,156 pesos in 2018:</p> <p>Classification table by sales 2020 values in pesos equivalent to classification in UVT, figures in pesos</p> <table border="1" data-bbox="478 1657 1300 1971"> <thead> <tr> <th>Segment</th> <th>Manufacture</th> <th>Services</th> <th>Trade</th> </tr> </thead> <tbody> <tr> <td>Microenterprise</td> <td>Up to \$839.007.741</td> <td>Up to \$1.174.603.716</td> <td>Up to \$1.594.089.783</td> </tr> <tr> <td>Small Enterprise</td> <td>Above \$839.007.741 and up to \$7.299.256.965</td> <td>Above \$1.174.603.716 and up to \$4.698.379.257</td> <td>Above \$1.594.089.783 and up to \$15.353.595.972</td> </tr> <tr> <td>Medium Enterprise</td> <td>Above \$7.299.256.965 and up to \$61.833.869.955</td> <td>Above \$4.698.379.257 and up to \$17.199.391.638</td> <td>Above \$15.353.595.972 and up to \$76.935.760.044</td> </tr> </tbody> </table>	Segment	Manufacture	Services	Trade	Microenterprise	Up to \$839.007.741	Up to \$1.174.603.716	Up to \$1.594.089.783	Small Enterprise	Above \$839.007.741 and up to \$7.299.256.965	Above \$1.174.603.716 and up to \$4.698.379.257	Above \$1.594.089.783 and up to \$15.353.595.972	Medium Enterprise	Above \$7.299.256.965 and up to \$61.833.869.955	Above \$4.698.379.257 and up to \$17.199.391.638	Above \$15.353.595.972 and up to \$76.935.760.044	<ul style="list-style-type: none"> • Generate income and increase employment; • Reduce income inequality; • Promote financial and workforce inclusion; • Support local economic activation
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For extended definitions of the above eligibility criteria, please see Appendix II

Exclusionary criteria

Projects that meet one or more of the following criteria will not be able to use the proceeds coming from Bancoldex Social Bonds:

- a) Projects that have been previously financed by Bancoldex through international development banks proceeds.
- b) Existing loans with the date of the first disbursement prior to January 1st 2016 and for the economic reactivation existing loans with the first of disbursement prior to march 11,2020 (declaration of the pandemic by the World Health Organization).

In addition to this exclusion criteria specific to the issue, all Bancoldex activities comply with an exclusion list included in its environmental and social management policy (Section F of the Environmental and Social Information Form available (in Spanish) [Appendix III](#) and Exclusion List [Appendix IV](#))

II. Process for Project Evaluation and Selection

Objectives of the Social Bond

Projects financed with the proceeds of the Social Bonds will continue to support the efforts made by the Colombian Ministry of Commerce, Industry and Tourism, in its strategic sectorial plan 2019-2022 and in accordance with the objectives established in the 2018 - 2022 National Development Plan. This financing aims to facilitate access for

vulnerable populations to formal credit, reduced costs and improved investment perspectives. It is also an objective to finance or refinance economic reactivation for micro, small and medium sized enterprises affected by the Covid-19 Pandemic.

The issuance of the Social Bonds is aligned with Bancoldex's sustainability strategy, which seeks to respond to the following elements:

- The need to generate value through sustainable economic models;
- The opportunities to penetrate new markets, increasing the standards of productivity and competitiveness of Colombian companies; and
- The adoption of sustainability standards in the development of cities.

Through the Social Bonds, Bancoldex follows its sustainability mandate of boosting micro and small business growth, therefore increasing productivity and competitiveness of the Colombian business sector through the productive insertion of smaller size economic activities.

Social Bonds Committee

The Social Bonds Committee will be coordinated by the Bank's Financial Vice-Presidency and will be attended by representatives from the following areas: Treasury Department, Corporate Strategic Vice-Presidency and the Commercial Vice-Presidency.

All potential operations to be financed with the proceeds from the social bonds will be evaluated by the Bancoldex Social Bond Committee, in order to determine their alignment with eligibility and exclusionary criteria.

Social Risk Management Process for Onboarding and Evaluation of Operations

There are two main groups of intermediaries that participate in the financing of micro and small enterprises in Bancoldex. The first group is composed of entities overseen by Colombian Financial Superintendent (Superintendencia Financiera de Colombia) and includes Banks, Financing Companies and Financial Cooperatives. The second group is constituted by the entities not overseen by the Financial Superintendent such as multiactive cooperatives, employees' funds, and compensation chambers, among others. It is important to highlight that these entities are in fact supervised by other Superintendents and NGOs in the case of microenterprises.

In all cases, Bancoldex completes an evaluation process in which members of the commercial VP can corroborate that the entity has the experienced required to provide credits and manage the loan portfolio of the micro or small enterprises. This first step includes the onboarding documents and risk evaluation information. After this, there is the performance of a complete due diligence regarding compliance with sanction lists in terms of Anti-Money Laundering and Terrorist Financing (AML/TF). Finally, the Risk Department performs a visit to the entity and after evaluating all the information establishes a limit amount and the guarantees required to be approved by the high management of Bancoldex. The follow-up for this type of companies is performed quarterly.

There are also different approaches for credit operations for each of the groups mentioned above. For the overseen entities the main approach is through rediscount lines of credit, which implies the endorsement of a Promissory note from the entity to

Bancoldex. The disbursements for microenterprises are regularly in local currency (Colombian Peso). There is not a limited amount by beneficiary in the traditional rediscount lines of credit, however in the cases where a government entity provides resources a limit amount per beneficiary may be established in order to confirm a higher coverage for microenterprises. The rediscount lines of credit include different tenors and financial conditions.

For this group of entities Bancoldex also has in place a “Direct Credit” mechanism which allows the banks and financing companies to finance very high volume of small amounts. In this case, the entity requires an amount to be disbursed by Bancoldex in order for it to attend the possible demands of the microenterprises in the period of the next two or three months following the disbursement.

The eligibility of the projects will be guaranteed through the use of an internal statistical tracking system connected to the Bancoldex banking core that allows the bank to validate the information of each credit operation.

III. Management of Proceeds

The proceeds of the Social Bond will be managed by the Bancoldex Treasury Department and will be used to finance existing or new loans. The proceeds pending of disbursement will be exclusively held in cash or other instruments with high liquidity and low risk, and in any case will not be used to finance projects other than eligible social projects. Bancoldex aims to have full allocation of the resources in a period of two to three years.

The processes outlined above will apply throughout the life of the Social Bonds.

IV. Reporting

Allocation reporting

Bancoldex shall annually disclose the use of the proceeds from each social bond issuance, indicating the number of beneficiaries, the average value of the loans, the disbursement by social project category and the regional distribution of resource use, through the annual report on "The Use of Social Bond Proceeds," which must be published in the following media: (i) the bank's website: www.bancoldex.com; (ii) the National Registry of Securities and Issuers, available in the Relevant Information section of the website of the Colombian Financial Superintendent www.superfinanciera.gov.co; and (iii) the website of the Colombian Stock Exchange www.bvc.com.co.

The use of the Social Bonds proceeds shall be audited by an external party.

Impact reporting

In addition to financial information in the "Use of Social Bond Proceeds" annual report, Bancoldex will also disclose the projects' positive social impacts, selecting up to 4 representative cases in terms of financing used and social impact, which significantly contributed to the bonds objectives.

The indicators used shall be selected from the list below, depending on the cases chosen.

Project Category	Eligible Projects	Proposed key-performance indicators
MSE financing and financial inclusion	Micro and small enterprise financing	<ul style="list-style-type: none"> • Number of micro and small enterprise companies financed • Amount disbursed to micro and small enterprise companies
	Rural business financing	<ul style="list-style-type: none"> • Number of rural business owners financed • Amount disbursed to rural business owners
	Women-owned business financing	<ul style="list-style-type: none"> • Number of women-owned business financed • Amount disbursed to women-owned business
	Victims of armed conflict -owned business financing	<ul style="list-style-type: none"> • Number of victims of armed conflict-owned business financed • Amount disbursed to victims of armed conflict-owned business
Financing and Financial inclusion for MSMEs affected by the COVID-19 Pandemic	Companies facing financial problems as a result of preventive measures (social distancing, quarantine) and / or economic downturn caused by the pandemic.	<ul style="list-style-type: none"> • Number of MSMEs financed • Amount disbursed to MSMEs • Number of employees maintained³ • Number of employees generated⁴ • Disbursements distribution by Macrosector

Appendices

Appendix I: Portfolio Categorization

Bancoldex has a portfolio composed of several lines of credit with specific eligibility criteria including the size of the companies (micro, small, medium or large). Some of these lines are directly related to the objective of the Bancoldex Social Bond, for example: (i) *Line of credit for the support of victims of the armed conflict in Colombia* and (ii) *Line of credit for high potential companies*. Others include a broader set of investments that could fall within the scope of the bond, for example: (iii) Lines of credit oriented for micro and small enterprises and victims of the armed conflict in Colombia.

Credit line operations directed only at social projects, such as those mentioned in (i) and (ii), are automatically eligible if their approach is one of the eligibility criteria explained in the previous section.

Larger lines of credit, such as the one mentioned in (iii), will be classified accordingly if the beneficiary is considered a micro or small enterprise.

³ Please refer to Appendix III Survey Impact Methodology

⁴ Ibidem

In summary, all operations financed with current or future Bancoldex credit lines, either through the re-discount mechanism or through direct credit, may integrate the Social Bond, provided they comply with the criteria of eligibility, categorization and other evaluation and selection processes set out in this document. These operations may be disbursed by Bancoldex through all the financing mechanisms available to the Bank.

Current Eligible Social Portfolio

For the structuring of Bancoldex second social bond, aimed at the economic reactivation of MSMEs, there is no portfolio already disbursed, the resources from this issuance are estimated to be placed in eligible operations within 6 months after issuance.

Appendix II: Extended definitions for Eligibility Criteria

1. Credit or loan operations which final beneficiary is considered a micro or small enterprise according to the following definition:

According to the Colombian Law 590, 2000, modified by Law 905 of 2004, there are four sizes of enterprises in Colombia: microenterprise, small enterprise, medium enterprise and large enterprise. The categorization until 2019 was based on two variables; the level of total assets, in terms of legal minimum wage in force (salarios minimos legales vigentes SMMLV) and in the number of employees of the enterprise. On June 5, 2019, the Ministry of Commerce, Industry and Tourism (MinCIT) established the classification by size established in MinCIT Decree No. 957 according to annual ordinary income, which is assimilated to the concept of annual gross sales, of the immediately previous year, for companies with less than 1 year of existence, they will correspond to those obtained in the operating time with cut-off to the month immediately prior to the presentation of the loan application.

The following is the representation in pesos of the UVT classification expressed in the Decree, for the 2020 UVT which is equivalent to 1 UVT = \$ 35,607 pesos in 2020. Segmentation by economic activity must be carried out in accordance with the sectoral correspondence established in Article 3 of Resolution 2225 of December 5, 2019 issued by the MinCIT

Classification table by sales 2020 values in pesos equivalent to classification in UVT, figures in pesos

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Microenterprise	Up to \$839.007.741	Up to \$1.174.603.716	Up to \$1.594.089.783
Small Enterprise	Above \$839.007.741 and up to \$7.299.256.965	Above \$1.174.603.716 and up to \$4.698.379.257	Above \$1.594.089.783 and up to \$15.353.595.972
Medium Enterprise	Above \$7.299.256.965 and up to \$61.833.869.955	Above \$4.698.379.257 and up to \$17.199.391.638	Above \$15.353.595.972 and up to \$76.935.760.044

Classification table by sales 2019 values in pesos equivalent to classification in UVT, figures in pesos

Segment	Manufacture	Services	Trade
Microenterprise	Up to \$807.504.010	Up to \$1.130.498.760	Up to \$1.534.233.630

Small Enterprise	Above \$807.504.010 and up to \$7.025.178.650	Above \$1.130.498.760 and up to \$4.521.960.770	Above \$1.534.233.630 and up to \$14.777.086.920
Medium Enterprise	Above \$7.025.178.650 and up to \$59.512.082.550	Above \$4.521.960.770 and up to \$16.553.575.180	Above \$14.777.086.920 and up to \$74.046.914.840

Classification table by sales 2018 values in pesos equivalent to classification in UVT, figures in pesos

Segment	Manufacture	Services	Trade
Microenterprise	Up to \$781.254.828	Up to \$1.093.750.128	Up to \$1.484.360.964
Small Enterprise	Above \$781.254.828 and up to \$6.796.814.220	Above \$1.093.750.128 and up to \$4.374.967.356	Above \$1.484.360.964 and up to \$14.296.734.576
Medium Enterprise	Above \$6.796.814.220 and up to \$57.577.549.140	Above \$4.374.967.356 and up to \$16.015.475.304	Above \$14.296.734.576 and up to \$71.639.903.952

Below there are a list of concepts used by Bancoldex to determine whether the enterprise owned by a beneficiary has a determined condition to be attended by an specific line of credit or if it should be categorized according to its location. These concepts include, Rurality, Women and Victims.

2. Credits to enterprises located in rural areas

One important concept is rurality. The National Department of Planning (Departamento Nacional de Planeación –DNP) and the Mission for the Transformation of the Field (Misión para la Transformación del Campo) have proposed a categorization for Colombian rurality, which identifies the relation between cities and rural locations, aims to identify the targeted population for the implementation of the programs within the rural and agricultural politic, and provides the guidelines for the design of rural differentiated policies.

In this new definition the following relevant aspects were studied: i) demographic characteristics of the population, ii) connectivity levels among municipalities, iii) preponderant economic activities, iv) use of the land, and v) diverse relations with the land (indigenous lands, collective territories, etc).

The final aspects included were: i) rurality within the system of cities, ii) population density, iii) relation between urban and rural population within the following categorization: cities and agglomerations, rurality and dispersed rurality)

Rural definition

- Municipalities that have less than 25 thousand inhabitants
- Municipalities that present intermediate population densities (between 10 inhab/km2 and 100 inhab/km2)

3. Credits to enterprises owned by women

Another significant concept is related to the categorization by gender – feminine and masculine of the owner of the microenterprise; for Bancoldex is able to identify if the final beneficiary is a woman. This information is included by the financial intermediary that canalizes Bancoldex resources.

4. Credits to enterprises certified as victims of the armed conflict in Colombia.

It is important to highlight that article 159 in Colombian Law 1448 of 2011, Law of Victims and Restitution of Lands, orders the establishment of the National System for the Integral Attention and Reparation of Victims (Sistema Nacional de Atención y Reparación Integral a las Víctimas – SNARIV). This system is integrated by a group of public entities both national and territorial, in charge of executing the plans, programs, projects and specific actions that are directed to the integral attention and reparation of the victims.

In accordance with the above, the same Law defines the condition of victim as all people who individually or collectively have suffered damages as a result of internal armed conflict; due to violations of the International Humanitarian Law and the International Human Rights Standards.⁵ According to the Victims Registry (Registro Único de Víctimas – RUV) the number of victims exceeds 8 million people.

For Bancoldex specific case, besides being a part of the SMARIV, article 129 of the mentioned Law orders the establishment of an annual rediscount line of credit with preferential financial conditions, aimed to finance the loans given by the credit entities to the victims with the final objective of financing the activities required for the victims to recuperate their productive capacity.

It is important to mention that since the launching of the first line of credit in association with the SMARIV, in the year 2012, as of December of 2017, disbursements were made for an amount COP 8.528.900.098 (approximately USD2.9 million). In addition, through Bancoldex other lines of credit the amount disbursed was COP 301.258.432.991 (approximately USD 104.6 million).

5. Credit loans destined to finance or refinance economic reactivation and recovery for MSMEs affected by the COVID-19 Pandemic.

Appendix III: E&S Form (in Spanish)

⁵ Law 1448 of 2011

FORMULARIO DE INFORMACIÓN AMBIENTAL Y SOCIAL		BANCOLDEX Operación BID																								
EVALUACIÓN DEL PROYECTO																										
A. DESCRIPCIÓN DEL PROYECTO																										
A.1 Breve explicación del proyecto		* el proyecto no debe estar relacionado con actividades incluidas en la lista de exclusión.																								
A.2 Capacidad Instalada Planeada	A.3 Fuente de energía																									
A.4 Financiación total (US\$)	A.5 Área de Desarrollo del Proyecto (m²)	A.6																								
B. UBICACIÓN DEL PROYECTO																										
El proyecto a financiar está localizado en el interior o a menos de 1 kilómetro de distancia de los siguientes lugares?																										
B.1: Reservas naturales		En el interior? Sí No	Distancia (m)																							
Manglares o Humedales																										
Áreas de reserva de pesca																										
Área especial de reserva ecológica																										
Parques Naturales																										
Santuarios de Fauna y Flora		En el interior? Sí No	Distancia (m)																							
Zonas naturales protegidas nacionales y/o civiles																										
Otro:																										
B.2: Fuentes hídricas		Distancia	Distancia																							
Ríos																										
Quebradas																										
Lagunas																										
Mares																										
Lagos																										
Ciénagas																										
Manantiales																										
Otro:																										
B.3: Patrimonio cultural y arquitectónico		En el interior? Sí No	Distancia (m)																							
Sitios arqueológicos																										
Sitios históricos, prehistóricos o paleontológicos																										
Otro:		En el interior? Sí No	Distancia (m)																							
B.4: Comunidades étnicas		En el interior? Sí No	Distancia (m)																							
Indígenas																										
Afro-colombianas																										
C. INSUMOS																										
C.1 Describa cuales recursos naturales (por ejemplo, aguas superficiales, bagazo de caña, estiércol de animales) se utilizarán, su papel en el proceso de generación de energía y cómo / de dónde serán obtenidos (por ejemplo, lagos, ríos, granjas de animales) los recursos:																										
Recursos	Papel	Fuente																								
a.																										
b.																										
c.																										
d.																										
e.																										
C.2 Mencione los principales equipos (por ejemplo, turbinas de viento, refrigeradores, transformadores de potencia) que serán parte de la infraestructura y si se reemplazará el equipo existente																										
Equipos adquiridos	Utilidad	Equipos reemplazados	Utilidad																							
a.		a.																								
b.		b.																								
c.		c.																								
C.3 Indique cómo la empresa planea gestionar la disposición final de los equipos reemplazados																										
C.4 Mencione las principales sustancias para mantenimiento que se utilizarán (lubricantes, grasas, etc)																										
Sustancias	Utilidad																									
a.																										
b.																										
c.																										
C.5 Indique cómo la empresa planea administrar las sustancias de mantenimiento después de utilizarlas																										
<p><i>Por favor, tenga en cuenta que las leyes colombianas establecen que las empresas generadoras de residuos peligrosos deben contratar empresas que tienen permisos para gestionar, transportar y hacer la disposición de los residuos peligrosos. (Decreto 1076/2015, art. 2.2.6.1.3.1)</i></p>																										
D. IMPACTOS POTENCIALES Y AUTORIZACIONES REQUERIDAS (Dirigirse solo en caso que las respuestas sean diferentes a las incluidas en la sección D)																										
D.1 Indique los impactos ambientales y sociales relevantes del proyecto. En caso que su respuesta sea afirmativa, especifique cuáles son las medidas de manejo y mitigación del impacto planteadas?		D.2 Indique los requisitos ambientales y sociales legales para el proyecto y cuales permisos o autorizaciones se concedieron																								
		<table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="3">Estado</th> <th rowspan="2">Acto administrativo</th> </tr> <tr> <th>No aplica</th> <th>En trámite</th> <th>Aprobado</th> </tr> </thead> <tbody> <tr> <td>a. Licencia ambiental</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>b. Plan de Manejo Ambiental</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>c. Diagnostico Ambiental de Alternativas</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>			Estado			Acto administrativo	No aplica	En trámite	Aprobado	a. Licencia ambiental					b. Plan de Manejo Ambiental					c. Diagnostico Ambiental de Alternativas				
	Estado				Acto administrativo																					
	No aplica	En trámite	Aprobado																							
a. Licencia ambiental																										
b. Plan de Manejo Ambiental																										
c. Diagnostico Ambiental de Alternativas																										
Recursos hídricos Impacto? Sí No a. Aumento del consumo de agua del área b. Impacto sobre cuencas por programas de abstracción o modificación (por ejemplo, reservas artificiales de agua) Medida:		<table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="3">Estado</th> <th rowspan="2">Acto administrativo</th> </tr> <tr> <th>No aplica</th> <th>En trámite</th> <th>Aprobado</th> </tr> </thead> <tbody> <tr> <td>d. Permiso de concesión de aguas subterráneas</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>e. Ocupación de cauces</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>f. Concesión de aguas superficiales</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>			Estado			Acto administrativo	No aplica	En trámite	Aprobado	d. Permiso de concesión de aguas subterráneas					e. Ocupación de cauces					f. Concesión de aguas superficiales				
	Estado				Acto administrativo																					
	No aplica	En trámite	Aprobado																							
d. Permiso de concesión de aguas subterráneas																										
e. Ocupación de cauces																										
f. Concesión de aguas superficiales																										
Emisiones atmosféricas y de ruido Impacto? Sí No c. Generación de gases o partículas al aire Medida:		<table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="3">Estado</th> <th rowspan="2">Acto administrativo</th> </tr> <tr> <th>No aplica</th> <th>En trámite</th> <th>Aprobado</th> </tr> </thead> <tbody> <tr> <td>g. Permiso de emisiones atmosféricas</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>			Estado			Acto administrativo	No aplica	En trámite	Aprobado	g. Permiso de emisiones atmosféricas														
	Estado				Acto administrativo																					
	No aplica	En trámite	Aprobado																							
g. Permiso de emisiones atmosféricas																										
Impacto? Sí No d. Aumento de los niveles de ruido Medida:		<table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="3">Estado</th> <th rowspan="2">Acto administrativo</th> </tr> <tr> <th>No aplica</th> <th>En trámite</th> <th>Aprobado</th> </tr> </thead> <tbody> <tr> <td>h. Permiso de ruidos</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>			Estado			Acto administrativo	No aplica	En trámite	Aprobado	h. Permiso de ruidos														
	Estado				Acto administrativo																					
	No aplica	En trámite	Aprobado																							
h. Permiso de ruidos																										
Residuos Impacto? Sí No e. Generación de desechos líquidos o sólidos peligrosos Medida:		<table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="3">Estado</th> <th rowspan="2">Acto administrativo</th> </tr> <tr> <th>No aplica</th> <th>En trámite</th> <th>Aprobado</th> </tr> </thead> <tbody> <tr> <td>i. Permiso de residuos peligrosos</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>j. Plan de gestión integral de residuos peligrosos</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>			Estado			Acto administrativo	No aplica	En trámite	Aprobado	i. Permiso de residuos peligrosos					j. Plan de gestión integral de residuos peligrosos									
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Impacto? Sí No f. Generación de desechos sólidos no peligrosos Medida:		<table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="3">Estado</th> <th rowspan="2">Acto administrativo</th> </tr> <tr> <th>No aplica</th> <th>En trámite</th> <th>Aprobado</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>			Estado			Acto administrativo	No aplica	En trámite	Aprobado															
	Estado				Acto administrativo																					
	No aplica	En trámite	Aprobado																							

Appendix IV: Exclusion List

Bancóldex will not support companies or projects directly or indirectly linked to the following activities:

1. Production or trade in substances that deplete the ozone layer subject to phase-out at the international level⁶.
2. Transboundary transportation of hazardous waste⁷.
3. Import or manufacture of products with polychlorinated biphenyls⁸.
4. Import, production or trade of chemicals, pesticides, herbicides and others persistent organic pollutants subject to phase-out⁹.
5. Production, trade or use of non-agglomerated asbestos fibers (asbestos)¹⁰.
6. Activities of handling, import or re-export of radioactive materials¹¹.
7. Production or trade of pharmaceutical specialties subject to gradual elimination or prohibition at the international level.
8. Activities of production or trade in wood products and other forest products from forests without a proper sustainable management plan.
9. Projects to be developed in protection and conservation areas that do not have the respective permission from the designated authority.
10. Activities involving trade in species of wild flora and fauna threatened or regulated by CITES or products derived from them¹².
11. Fishing in the marine environment with nets of more than 2.5 km in length.
12. Activities that violate labor legislation, the fundamental principles and rights contemplated by the International Labor Organization, involve child labor and / or incorporate discriminatory practices due to age, gender, political opinion, among others, and / or violate the right of the free association and collective bargaining.
13. Similarly, those activities that violate the rights of ethnic groups.
14. Production and distribution of anti-democratic material.
15. Any business related to pornography and / or prostitution.
16. Manufacture or trafficking of arms and ammunition.

Appendix V: SURVEY IMPACT METHODOLOGY

As a follow-up survey to the recovery and reactivation credit lines, Bancóldex will reach out via phone call to the business that received credit under those lines. The survey is a multiple-choice questionnaire uploaded in Microsoft Forms. In this way, the businessowner/manager can answer it directly or during the phone call. The survey has three parts.

⁶ Montreal Protocol. Signed by Colombia in 1992.

⁷ Unless it complies with the Basel Convention on the Control of Cross-Border Movements of Dangerous Rights and Their Elimination and the underlying regulations. Approved by Colombia in 1996.

⁸ Stockholm Convention on Persistent Organic Pollutants. Signed by Colombia in 2001

⁹ Rotterdam Convention on the applicable prior informed consent procedure hits pesticides and hazardous chemicals in international trade, signed in 1998 and Convention Stockholm Convention on Persistent Organic Pollutants, signed by Colombia in 2001.

¹⁰ It does not apply to the purchase and use of agglomerated asbestos fiber cement in which the asbestos content is less than 20%

¹¹ This does not apply to the purchase of medical equipment, quality control equipment and any equipment where the radioactive source is considered insignificant and / or is properly coated.

¹² Convention on International Trade in Endangered Species of Wild Fauna and Flora, 1963.

- The first part seeks to identify the main problems the business faced as a result of the COVID-pandemic and the restrictions imposed to “flatten the curve”. The options are (in no particular order): i) payroll; ii) payments to purveyors; iii) fixed costs; iv) increase in the cost of outputs; v) high previous debt; vi) imports financing; vii) urgency to locate new purveyors; and viii) others.

- The second part inquires about the main allocation of the resources of the credit. The options are the same as in the first part. The objective is to determine if the allocation of resources correspond to the problem faced by the business.

- The final part asks about the number of employees currently on payroll, the adjustments the business underwent as a consequence of the pandemic, and the cost of those adjustments. The options for adjustments are (in no specific order): i) development of a new product or service; ii) update the business strategy; iii) adjust operations as to allow work from home; iv) new ways of serving clients; v) new merchandising; vi) other; or vii) none.

As the calls were made at the same time the line is being disbursed (as opposed to after all the resources were allocated), there is no way to guarantee that the sample is representative of the universe of business. Therefore, the composition of the sample in terms of business size and other variables may not be the same as in the universe of business that received credit. Also, the margin of error varies as more surveys are made and the disbursed of the line continues.